

Ref : AC/2020/001

January 20, 2020

Subject: Management Discussion and Analysis for the year of 2017.

TO: President

The Securities and Exchange Commission, Thailand

L.V. Technology Public Company Limited and its subsidiaries and associated companies hereby submit the Financial Report for the year of 2017 closing date by December 31, 2017.

Statements of comprehensive income for the year ended December 31, 2017

Unit : millions Baht				
Statements of Comprehensive Income	Consolidated			
	For the year ended December 31,			
	2017	2016	Increase/(Decrease)	%
Sales and services	7.28	303.27	(295.99)	-97.60%
Cost of sales and services	(4.98)	(211.38)	206.40	-97.64%
Gross Profit(Loss) Margin	2.30	91.89	(89.59)	-97.50%
Other incomes	7.50	34.41	(26.91)	-78.20%
Selling and Administrative expenses	(64.43)	(121.17)	56.74	-46.83%
Finance cost	1.98	(2.10)	4.08	-194.29%
Profit (Loss) before share of profits from associates and jointly-controlled entities	(56.60)	3.03	(59.63)	-19.68%
Share of profits from associates and jointly-controlled	(2.04)	(0.34)	(1.70)	5.00%
Profit (Loss) before income tax	(58.64)	2.69	(61.33)	-22.80%
Income tax revenue (expense)	0.01	(0.02)	0.03	-1.35%
Profit (loss) for the periods	(58.63)	2.67	55.96	20.96%

For the year ended December 31, 2017, L.V. Technology Plc., and the group had loss for shareholders' equity amounting to Baht 58.65 million, as compared to profit in 2016 amounting to Baht 2.67 million due to the following reasons;

1. Revenue from sales and services agreement amounting to Baht 7.28 million, an decrease of Baht 295.99 million or 98% compare to 2016, the discontinued

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1. Revenue from sales and services agreement amounting to Baht 7.28 million, an decrease of Baht 295.99 million or 98% compare to 2016, the discontinued operations temporarily in 2017. Revenue in 2017 are from recognized revenue by closed and cleared only 1 project.
2. The cost of sales and services amounting of Baht 4.98 million, a decrease of Baht 206.40 million or 98% compare to 2016. The company had gross margin at 32% compared to a gross margin at 30% for year 2016.
3. Other income amounting of Baht 7.50 million, a decrease of Baht 26.91 million or 78 % compare with last year. The decrease was derived from the commission income amounting to Baht 18.61 million in 2016.
4. Selling and Administration expenses amounting of Baht 64.43 million, a decrease of Baht 121.17 million or 47% compare with last year, caused by the discontinued operations temporarily in 2017. And the company lay-off almost all of staffs since March 2017.

Statement of financial Position

Unit : millions Baht

	Consolidated		Increase/ (Decrease) %
	As of December 31, 2017	As of December 31, 2016	
Total Assets	<u>1,070.55</u>	<u>1,205.14</u>	-11%
Total Liabilities	<u>1,048.84</u>	<u>1,130.24</u>	-7%
Shareholders of the Company	21.71	74.90	-71%
Non-controlling interests	<u>0.00</u>	<u>0.00</u>	
Total Shareholders' equity	<u>21.71</u>	<u>74.90</u>	-71%

Total assets as at December 31, 2017 amount to Baht 1,070.55 million, an decrease of 11% from year ended 2016, resulting from Deposit at bank with obligation are due in 2017 amount to Baht 6 million and closed project by write-off retention receivable from constructions contract amount to Baht 4 million. In addition the foreign exchange rate by the baht appreciation in 2017.

Total liabilities as at December 31, 2017 amount to Baht 1,048.84 million, and decrease of 7% from year ended 2016 resulting from the foreign exchange rate by the baht appreciation in 2017. In addition resulting from:

- Decrease of Deferred construction revenue of Baht 19.17 million by closed project and recognized revenues.

Total shareholders' equity as at December 31, 2017 amounting of Baht 21.71 million, decrease of Baht 53.19 million or 71% compare with year ended 2016 resulting from:

- Comprehensive loss for the year ended December 31, 2017 amounted to Baht 58.658 million
- Decrease in other components of shareholders' equity amounted to Baht 5.46 million

Analysis of the liquidity

	Unit : millions Baht			
	For the year ended December 31,			
	2017	2016	Increase/(Decrease) %	
Loss from operation before changes in operating assets and liabilities	(51.28)	1.20	(52.48)	-43.73%
Net movements in operating assets and liabilities	47.32	(82.24)	129.56	-1.58%
Cash used in operation	(0.75)	50.66	(51.41)	-1.01%
Net Cash Used in Operating Activities	(4.71)	(30.38)	25.67	-0.84%
Net Cash Provided from (Used In) Investing Activities	6.26	27.75	(21.49)	-0.77%
Net Cash Provided from (Used In) Financing Activities	(0.67)	(0.78)	0.11	-0.14%
Net Decrease in cash and Cash Equivalent	0.89	(3.41)	4.30	-1.26%

Cash flows from operating activities

For the year ended December 31, 2017 the company cash flow used in the operation amounted to Baht 4.70 million.

Cash flows from investing activities

The Company cash flow derived from investment activities amounted to Baht 6.26 million, most of all from due of deposit at bank with obligation amounts of Baht 6.13 million.

Cash flows from financing activities

The company cash flow used in financing activities amounted to Baht 0.67 million in 2017, by payment to financial lease.

As a result, the company's net available cash increased by the amount of Baht 0.89 million, which combined with cash in the beginning of the period of Baht 0.46 million, resulted the company having cash carry forward to the next period of Baht 1.35 million.

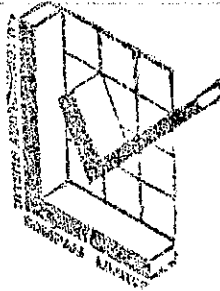


L.V. TECHNOLOGY
PUBLIC COMPANY LIMITED

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Sincerely yours,

(Mr. Gancanapol Van Compernelle)
Chairman of the Board



(Mr. Sumek Bamrungsuk)
Managing Director

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