

November 8, 2017

Reference no. RWI/RY/061/2560

Subject : Management's Discussion and Analysis of Business Operations of the Third Quarter of 2017

Dear The Director and Manager of the Stock Exchange of Thailand,

Rayong Wire Industries Plc. as (COMPANY) would like to describe and analyze the financial position and business operation of the 3rd quarter of 2017 that has been audited from the external auditor, in order to disclose the information to investors and public.

### **The Overview of Business Operation**

In the 3<sup>rd</sup> quarter of 2017, the company had net profit of 10.22 million baht, increased by 4.50 million baht or 78.59% comparing to the net profit of 5.72 million baht in the 3<sup>rd</sup> quarter of previous year. The details are as follows:

### **Financial Analysis**

#### **Revenues**

The company had the total revenues as 217.22 million baht which is increased as 74.60 million baht, compared to the total income of previous year amounted of 142.63 million baht or increase as 52.30% because the company has implemented the strategic marketing plan effectively and gain the huge orders with the higher selling price both in domestic and export sales..

## **Cost of Goods Sold**

The company had the cost of goods sold as 188.98 million baht, increased as 66.68 million baht, comparing to the cost of goods sold in 2016 which is 122.31 million baht or increased by 54.52 percent. The cost of goods sold has increased as well as the sales volume, however, the cost per unit was reduced due to the increment of sales quantity and production quantity.

## **Expense**

### **Sales and Administration Cost**

The company had the selling cost of 6.74 million baht, increased by 0.74 million baht or 12.37 % compared to the Year 2016 which is 5.99 million baht because of the increment of sales quantity impacted on the expense of sales promotion to expand the overseas such as United Kingdom, Myanmar, Vietnam, Philippines. Also, the transportation expense was increased.

The administration cost was 8.87 million baht, as increased of 0.13 million baht or 1.46%, compared to same period of the Year 2016 which is 8.74 million baht.

## **Financial Position**

### **Total Asset**

As of September 30, 2017, the company has the total asset of 1,140.82 million baht, comparing to the total asset of 990.23 million baht on December 31, 2016, increased of 150.58 million baht. The reason was the company has invested to the bond that has high liquidity, impacted on the short-term investment and more Trade Receivables.

## **Liabilities**

As of November 30,2017, the company has the total liabilities of 126.88 million baht, increased as 76.18 million baht or 150.25 %,comparing to the total liabilities of 50.70 million baht on December 31, 2016. It was caused from the increment of Short-term borrowings from financial institutions in order to buy the raw materials.

## **Shareholders' Equity**

As of September 30, 2017, the company had the Shareholders'equity of 1,013.93 million baht, increased by 74.40 million baht or 7.92%,comparing to the Shareholders'equity of 939.53 million baht on December 31, 2016. Consequently, the company had net profit for nine months period of Year 2016 in total of 65 million baht and apart from this, some Shareholders has the right to exercise on the warrant ( RWI-W1).

Please be informed for acknowledgment

Yours sincerely,

(Mr.Suthin Phadetpai)

Managing Director