

Translation

UWC 022-2018

May 14, 2018

Subject : Management Discussion and Analysis for quarter 1-2018

To : President of the Stock Exchange of Thailand

Ua Withya Public Company Limited ("Company") would like to describe and analyze the financial position and operating results for quarter 1-2018 are summarized as follows.

### Performance Analysis

For the Quarter 1-2018, the Company and its subsidiaries had total revenue of 298.22 million baht, a decrease of 48.96 million baht or 14.10 percent, with the total net loss of 34.94 million baht or decreased 94.98 percent and net loss owners of the parent total 30.14 million baht or decreased 127.99 percent compared to the same period in 2017 had total revenues 347.18 million baht while the net loss of 17.92 million baht and net lost owners of the parent 13.22 million baht the overall operating results for the three-months period of year 2018 compare to the same period of year 2017 is shown in table 1 below.

Table 1 provides an overview of performance.

Unit : Million Baht

	Items	For the three-months ended 31 March			
		2018	2017	Increased (Decreased)	
				Amount	Percentage
1	Revenue from steel tower manufacturing	177.01	249.73	(72.72)	(29.12)
2	Revenue from sale industries products	3.52	3.24	0.28	8.64
3	Revenue from agricultural products	2.99	10.44	(7.45)	(71.36)
4	Revenue from selling electricity	104.13	72.05	32.08	44.52
5	Other Revenue	10.57	11.72	(1.15)	(9.81)
6	Total Revenues	298.22	347.18	(48.96)	(14.10)
7	Total expenses	334.31	363.17	(28.86)	(7.95)
8	Profit(Loss) before income tax	(36.09)	(15.99)	(20.10)	125.70
9	Net Profit (Loss)	(34.94)	(17.92)	(17.02)	94.98
10	Net Profit (Loss) owners of the parent	(30.14)	(13.22)	(16.92)	127.99

## 1. Analysis of results of operations.

### 1.1 Income

In Quarter 1-2018 the Company and its subsidiaries had the total revenues of 298.22 million baht or 48.96 million baht decreased when compare to the same period of 2017 as amounting of 347.18 million or 14.10 percent thus details are as follow:

- The Company's income from steel tower manufacturing of 177.01 million baht, a decreased of 72.72 million baht or 29.12 percent compare to the same period in 2017 was 249.73 million baht due to decrease in delivery
- The revenue from sale of industries products of 3.52 million baht as 0.28 million baht increased or 8.64 percent when compared to the same period in 2017 was 3.24 million baht
- The company and its subsidiaries has revenue from sale of other products of 2.99 Million Baht as 7.45 Million Baht decreased or 71.36 percent when compared to same period of year 2017 of 10.44 Million Baht
- The company and its subsidiaries has revenue from sale of electricity of 104.13 Million Baht as 32.08 Million Baht increased or 44.52 percent when compared to same period of year 2017 of 72.05 Million Baht due to more sales volume in term of electricity
- The other income in Quarter 1-2018 in the amount of 10.57 million baht or 3.57 percent of total revenues due to revenue from sales of scrap on raw material of 9.56 million baht, interest receive of 0.09 million baht, interest receive from related company of 0.13 million baht and others of 0.79 million baht

### 1.2 Cost and Expenses

In Quarter 1-2018, the company and its subsidiaries had Gross Margin 2.20 percent and Net loss (11.72) percent of total revenues when compare to the same period in 2017 was Gross Margin 12.65 percent and Net loss (5.16) percent of total revenues.

	Items	Amount (million baht) , %				Amount increased (decreased)	
		Q1- 2018	%	Q1- 2017	%	MB	%
1	Total Revenue	298.22	100.00	347.18	100.00	(48.96)	(14.10)
2	Cost of steel tower manufacturing and cost of sale	291.67	97.80	303.25	87.35	(11.58)	(3.82)
3	Gross Profit	6.55	2.20	43.93	12.65	(37.38)	(85.09)
4	Sales and administrative expenses	26.62	8.93	47.06	13.55	(20.44)	(43.43)
5	Profit (loss) before finance cost and income tax expenses	(20.07)	(6.73)	(3.13)	(0.90)	(16.94)	541.21
6	Financial cost	16.02	5.37	12.86	3.70	3.16	24.57
7	(Loss) profit before income tax expenses	(36.09)	(12.10)	(15.99)	(4.61)	(20.10)	125.70
8	Income Tax	(1.15)	(0.39)	1.93	0.56	(3.08)	(159.59)
9	Net Profit (Loss)	(34.94)	(11.72)	(17.92)	(5.16)	(17.02)	94.98
10	Net Profit (Loss) in part of company only	(30.14)	(10.33)	(13.22)	(4.36)	(16.92)	127.99

### 1.2.1 Gross Profit

In Quarter 1-2018, the Company and its subsidiaries had gross margin 2.20 percent. It was a decreased compared to the same period of 2017, the gross margin 12.65 percent.

### 1.2.2 Expenses

In Quarter 1-2018, the Company and its subsidiaries had a total cost and expenses 334.31 million baht, the expenses decreased from 2017, with a total cost and expenses of 363.17 million baht, a decrease of 28.86 million baht or 7.95 percent by the following reasons.

- Cost of project 160.80 million baht, a decrease of 70.77 million baht as approximately decreased of 30.56 percent when compared to the same period in 2017 in the amount of 231.57 million baht vary by amount of projects that the company has delivered to the customer.

- Cost of sale of industrial equipment 2.72 million baht, an increase of 0.54 million baht or 24.81 percent compared to the same period in 2017 as amounting of 2.18 million baht
- Cost of sales of other products 10.90 million baht, a decrease of 6.31 million baht or approximately 36.66 percent compared to the same period in 2017 as amounting of 17.21 million baht by fluctuate from decrease of sales volume and same cost of production
- Cost of sale of electricity of 117.25 Million Baht as 64.96 Million Baht increased or 124.23 percent when compared to same period of year 2017 as amounting of 52.29 million baht by fluctuate in accordance with more sales volume.
- Selling expenses amounting of 1.80 million baht a decreased of 0.84 million baht or approximately 31.78 percent when compared to the same period of the year 2017 was 2.65 million baht.
- Administrative expenses amounting of 23.46 million baht, a decrease of 20.33 million baht or approximately 46.42 percent increase when compared to the same period in 2017 as amounting of 43.79 Million baht. Due to in Quarter 1- 2018, there has been Reversal of allowance for doubtful accounts of trade accounts receivable (related company) as amounting of 14.12 Million Baht thus payback in January 2018.
- Finance costs consist of interest expense and banking fee of 16.02 million baht, an increase of 3.16 million baht or 24.56 percent increase when compared to the same period in 2017 as amount of 12.86 million baht.

### 1.2.3 Net profit (Loss)

In Quarter 1-2018, the Company and its subsidiaries had a net loss of 34.94 million baht due to loss from major company as amount of 30.14 million baht and loss to non-controlling interests amount of 4.80 million baht as decreased loss of 17.02 million baht or equivalent 94.98 percent when compared to the same period in 2017 has net loss of 17.92 million baht was in loss to shareholders of the parent amount of 13.22 million baht.

## 2. Financial Analysis

Table 3 : Overview statement of financial position

	Items	Amount (Million baht)		Increased (decreased)	
		As of March 31,2018	As of December 31,2017	Million baht	Percent
1	Total Assets	3,442.01	3,561.21	(119.20)	(3.35)
2	Total Liabilities	1,578.06	1,662.64	(84.58)	(5.09)
3	Total Shareholders' Equity	1,863.95	1,898.57	(34.62)	(1.82)

### 2.1 Assets

As of March 31, 2018, the company and its subsidiaries had total assets of 3,442.01 million baht, a decreased from as of December 31, 2017, with total assets of 3,561.21 million baht, a decreased in the amount of 119.20 million baht, by following reasons.

- Cash and cash equivalents amount of 106.97 million baht had a net increase of 3.85 million baht when compared to the same period in 2017 had in the amount of 103.11 million baht
- Trade and other receivables 435.87 million baht, decrease of 212.79 million baht, compare to the same period in 2017, which had amount of 648.66 million baht Variable according to volume of income and received payment of investment in EMC Public Company Limited (Related company) amounting of 170.00 Million Baht since January 2018
- Short term loans to personnel and related company of 8.35 Million Baht as 0.50 Million Baht decreased when compared to year 2017 of 8.86 Million Baht
- Inventories of 683.08 Million Baht an increase of 86.76 Million Baht when compared to the same period of year 2017 as amount of 596.32 Million Baht
- Other current assets 33.79 million baht, decrease of 0.08 million baht compare to the same period in 2017 had the amount of 33.87 million baht
- Land, Building and other materials of 1,555.85 Million Baht as net increase of 13.19 Million Baht when compared to year 2017 as amount of 1,542.66 Million Baht

## 2.2 Liabilities

As of March 31, 2018, the Company and its subsidiaries had total liabilities of 1,578.06 million baht, decrease of 84.58 million baht from the same period in 2017, which was amount 1,662.64 million baht as vary from increase in trade accounts payable and other payables of 34.63 Million Baht, short term loan to personnel and related company of 20.00 Million Baht, short term loan from other company of 70.00 Million Baht, provision for non-current liabilities for employee benefits of 0.25 Million Baht, decrease in Bank overdrafts and short-term loans from financial institutions of 0.87 Million Baht, Loan off 200.00 Million Baht, liabilities under lease agreement of 1.97 Million Baht and Deferred income tax liabilities of 1.19 Million Baht

## 2.3 Shareholders' Equity

As of March 31, 2018, the Company and its subsidiaries had a loss from operations 30.14 million baht, other components of shareholders' equity increased as amount of 0.22 Million Baht, Non-controlling interests of 4.70 Million Baht which cause decrease in ownership of 1,863.95 Million Baht from year 2017 as amount of 1,898.57 Million Baht or 34.62 Million Baht decreased.

Please be informed accordingly,

Yours sincerely,

Mr. Monthon Chatuwallopkul

Deputy of Managing Director