

Subject : Management Discussion and Analysis for nine-months and 3rd quarter ended September 30, 2018

Attention : President

The Stock Exchange of Thailand

1. Operating Performance

1.1 Revenues

(Thousands Baht)								
	Nine-months		Change		3 rd Quarter		Change	
	2561	2560	Amount	%	2561	2560	Amount	%
Revenue from sales	1,168,546	1,128,641	39,905	3.54%	427,881	386,117	41,764	10.82%
Other income	19,531	12,633	6,898	54.60%	6,803	5,313	1,490	28.04%
Total Revenue	1,188,077	1,141,274	46,803	4.10%	434,684	391,430	43,254	11.05%

Company total revenue of nine-months on year 2018 slightly increased 4.10 percent from the same period of last year. Revenue from sales of nine-month on 2018 slightly increased 3.54 percent due to the effect of Thai Baht appreciation even though sale volume and sale in CNF incoterm increased from same period of 2017. Other income increased 54.60 percent from year 2017 due to higher received interest from the bank and higher gain from exchange rate.

Company total revenue of 3rd quarter increased 11.05 percent from the same period of last year. Revenue from sales of 3rd quarter on 2018 increased 10.82 percent due to significant increasing in sale volume, while Thai Baht appreciation still affected sale revenue. Other income of 3rd quarter on 2018 increased 28.04 percent due to higher gain from exchange rate.

1.2 Cost of goods sold and expenses

(Thousands Baht)								
	Nine-months		Change		3 rd Quarter		Change	
	2561	2560	Amount	%	2561	2560	Amount	%
Cost of goods sold	-803,120	-752,800	-50,320	6.68%	-286,501	-249,227	-37,274	14.96%
Selling expenses	-161,043	-142,389	-18,654	13.10%	-59,234	-59,370	136	-0.23%
Administrative expenses	-62,446	-53,366	-9,080	17.01%	-21,476	-18,565	-2,911	15.68%
Finance Costs	-508	-22,457	21,949	-97.74%	-336	-6,927	6,591	-95.15%
Total	-1,027,117	-971,012	-56,105	5.78%	-367,547	-334,089	-33,458	10.01%

Cost of goods sold of nine-months and 3rd quarter on year 2018 increased 6.68 and 14.96 percent respectively from the same period of last year, due to higher sale volume and higher electricity & fuel cost.

Selling expenses of nine-months on year 2018 increased 13.10 percent from nine-months on year 2017, due to higher transportation cost from higher sale volume and higher freight cost from higher sales volume in CNF incoterm. However, selling expenses of 3rd quarter of 2018 slightly decreased 0.23 percent from the same period of last year, mainly caused by lower freight cost in this period.

Administration expense of nine-months and 3rd quarter on year 2018 increased 17.01 and 15.68 percent respectively from the same period of last year, due to additional administrative expense from expanding in second MDF production line.

Financial cost of nine-months and 3rd quarter on year 2018 decreased 97.74 and 95.15 percent from the same period last year, due to the repayment of long term loan.

As a result, cost of goods sold and expenses of nine-months and 3rd quarter on year 2018 slightly increased by 5.78 and 10.01 percent from the same period last year.

1.3 Profit

(Thousands Baht)								
	Nine-months		Change		3 rd Quarter		Change	
	2561	2560	Amount	%	2561	2560	Amount	%
Gross profit	365,426	375,841	-10,415	-2.77%	141,380	136,890	4,490	3.28%
Profit before income tax	160,960	170,262	-9,302	-5.46%	67,137	57,341	9,796	17.08%
Net profit for period	146,108	157,527	-11,419	-7.25%	63,182	53,815	9,367	17.41%

From revenues, cost of goods sold and expenses, company net profit of nine-month ended September 30, 2018 was 146.11 million baht slightly decreased 7.25 percent from the same period of last year. And net profit of 3rd quarter was 63.18 million baht increased 17.41 percent from the same period of last year.

Sincerely Yours,

(Ms.Orawan Sangwongkit)

Chief Financial Officer