

Subject : Management Discussion and Analysis for quarter ended March 31, 2019

Attention : President

The Stock Exchange of Thailand

1. Operating Performance

1.1 Revenues

Consolidated		(Thousands Baht)		
	1 st Quarter		Change	
	2019	2018	Amount	%
Revenue from sales	555,461	367,923	187,538	50.97%
Other income	12,346	9,145	3,201	35.00%
Total Revenue	567,807	377,068	190,739	50.58%

Company total revenue on 1st quarter of year 2019 increased 50.58 percent from the same period of last year. Main attribution is increasing in sales quantities from 2nd production line. However, continuously decreasing in selling price from 4th quarter of 2019 affect revenue from sales slightly increase in comparison to increasing in sales quantities. Other income increased 35.00% from the same period of last year for a reason of increasing in gain from exchange rate.

1.2 Cost of goods sold and expenses

Consolidated		(Thousands Baht)		
	1 st Quarter		Change	
	2019	2018	Amount	%
Cost of goods sold	-453,166	-244,141	-209,025	85.62%
Selling expenses	-84,692	-54,924	-29,768	54.20%
Administrative expenses	-14,091	-19,711	5,620	-28.51%
Finance Costs	-5,748	-74	-5,674	7,667.57%
Total	-557,697	-318,850	-238,847	74.91%

Cost of goods sold on 1st quarter of 2019 increased 85.62 percent from the 1st quarter of 2018, due to higher sale volume from 2nd production line and higher raw material price.

Selling expenses on 1st quarter of 2019 increased 54.20 percent from the same period of last year, due to higher sale volume from 2nd production line.

Administrative expenses on 1st quarter of 2019 decreased 28.51 percent from the same period of last year, due to additional administrative expenses from expanding in 2nd production line was done in the end of 3th quarter, lead to decreasing in administrative expenses.

Financial cost on 1st quarter of 2019 increased significantly 7,667.57 percent from the same period of last year, caused by loan drawdown for 2nd production line investment project.

As a result, cost of goods sold and expenses on 1st quarter of 2019 increased significantly 74.91 percent from the same period of last year.

1.3 Profit

Consolidated		(Thousands Baht)		
	1st Quarter		Change	
	2019	2018	Amount	%
Gross profit	102,295	123,782	-21,487	-17.36%
Profit before income tax	10,110	58,218	-48,108	-82.63%
Net profit for period	3,689	51,320	-47,631	-92.81%

From revenues, cost of goods sold and expenses factors, company profit before income tax of 1st quarter 2019 was 10.11 million baht decreased 82.63 percent and net profit of 1st quarter ended March 31, 2019 was 3.69 million baht decreased 92.81 percent from the same period of last year.

Sincerely Yours,

(Ms.Orawan Sangwongkit)

Chief Financial Officer