14 August 2019

The Director and Manager

The Stock Exchange of Thailand

93 Rachadapisek Road

Dindaeng, Dindaeng, Bangkok

Dear Sir:-

Subject : Management's Discussion and Analysis of Financial Results for Q2'2019

The company would like to disclose the information concerning the operating result for the 2nd quarter of 2019 compared to the same period of previous year. The details are as follows:-

1. **<u>The Business Operation</u>**

1.1 <u>Net Sales</u>

For Q2'2019, the company's net sales amounted to Baht 417.64 million, a decrease of Baht 150.91 million or 26.54% compared to Q2'2018. The decrease in sales resulted from both sales volume and sales price. Sales volume decreased from both domestic and export. While the selling price decreased due to the price competition. The proportion of sales: 81.17% came from domestic and 18.83% came from export.

1.2 <u>Cost of sales</u>

In Q2'2019, cost of sales was Baht 395.31 million, a decrease of Baht 140.11 million or 26.17% compared to Q2'2018. This was because sales volume was lower than the same period last year.

1.3 <u>Other Income</u>

Other income was Baht 6.77 million, a decrease of Baht 10.40 million. The decrease was from a refund of anti-dumping duties for import of raw materials for production of finished goods for export, amounting to Baht 4.34 million in Q2'2018, and gain on exchange rate amounting to Baht 3.29 million while Q2'2019 was loss on change Baht

0.26 million. In addition, the revenue from sales of scrap and other incomes, which are uncertain, decreased by Baht 1.66 million.

1.4 Expenses

The operating expenses amounted of Baht 41.81, a decrease of Baht 10.09 million, mainly due to the provision for employee benefits related to the revision of post-employment benefit plan, which was calculated by an independent actuary and recorded the past service cost as expenses in the statement of comprehensive income.

As a result, the company reported a net loss of Baht 14.24 million and net loss of Baht 2.46 million in Q2'2019 and 2018, respectively.

2. The Financial Position

2.1 Assets

As at 30 June 2019, the total assets are worth Baht 1,901.69 million, representing a decrease of Baht 34.99 million or 1.81% from 31 December 2018. The main reason was the decrease of restricted deposits at financial institutions due to release some of credit facilities with bank, trade receivables decreased as sales decreased. Meanwhile the inventories increased from the quantity increased.

2.2 Debt to Equity Ratio

As at 30 June 2019, the company's debt to equity ratio was 0.24, up slightly from the previous year.

Yours faithfully,

(Mr.Akamin Nganthavee)

Managing Director