11 November 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 Q3'2019

The company would like to disclose the information concerning the operating result for the 3rd quarter of 2019 compared to the same period of previous year. The details are as follows:-

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

1.1 Net Sales

For Q3'2019, the company's net sales amounted to Baht 576.84 million, a decrease of Baht 165.26 million or 22.27% compared to Q3'2018. The decrease in sales resulted from both volume and price decreased. The sales volume decreased from export. The proportion of sales: 79.20% came from domestic and 20.80% came from export. The main driven factor for the sale price decreased is mainly from the price competition.

1.2 Cost of sales

In Q3'2019, the cost of sales was amounted Baht 535.62 million, a decrease of Baht 158.76 million or 22.86% compared to Q3'2018. This was mainly from the sale volume and price of raw material decreased.

1.3 Expenses

The operating expenses amounted of Baht 35.97 million, an increase of Baht 13.93 million. The main reason was in Q3'2018, there was a cancellation of the employee benefit plan for the executives and decreased a provision for employee benefits amounting Baht 19.25.

Meanwhile, selling and administrative expenses decreased due to the decrease in sales volume.

As a result, the net profit in the 3rd quarter of 2019 totaled Baht 9.72 million, down by Baht 21.54 million compared to the same period of previous year.

2. <u>The Financial Position</u>

2.1 <u>Assets</u>

As at 30 September 2019, the total assets are worth Baht 2,101.92 million, representing an increase of Baht 165.24 million or 11.72% from 31 December 2018. This was mainly due to an increase in inventories from the stock of raw materials and an increase in trade receivables from the longer time of collection period.

2.2 <u>Debt to Equity Ratio</u>

As at 30 September 2019, the company's debt to equity ratio was 0.36, up from the previous year due to the increase in trade payable as well as the use of trust receipt as a source of working capital for business operation.

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Yours faithfully,

(Mr.Akamin Nganthavee)
Managing Director