

( Translation )

13<sup>rd</sup> November 2019

Subject: Management Discussion and Analysis (MD&A) for the 3<sup>rd</sup> quarter and 9-month periods of year 2019

To: Managing Director of the Stock Exchange of Thailand

The Company would like to clarify the net profit for the 3<sup>rd</sup> quarter and 9-month periods of the year ending on 30th September 2019 had decreased more than 20% comparing to the same period of the previous year, the net profit for the 3<sup>rd</sup> quarter was 2.99 million Baht and the net loss for 9-month periods was 0.79 million Baht, decreased from the same period of the previous year by 3.83 million Baht and 12.38 million Baht respectively, due to the lower sales caused by the depreciation of Thai Baht and intense competitive situation in foreign markets. Moreover, there was 10.15 million Baht for the provision of compensation for retirement or termination of employment for the employees with 20 or more years of service at 400 days of the latest wages instead of 300 days, as the Labor Protection Act No. 7 of the year 2019.

The Company's profitability in the third quarter of 2019 decreased from the same period of previous year, the return on total assets (ROA) decreased from 1.46% to 0.66% and the return on equity (ROE) decreased from 1.87% to 0.84% and earnings per share (EPS) decreased from 0.91 Baht/share to 0.40 Baht/share.

For the nine-month period of 2019, the Company's profitability decreased from the same period of the previous year as well. The ROA decreased from 2.48% to -0.17%, ROE decreased from 3.17% to -0.22% and EPS decreased from 1.55 Baht/share to -0.10 Baht/share.

The efficiency of using the total assets to profit from the turnover of total assets in this quarter changed slightly from the third quarter of 2018, which was 0.32 times to 0.31 times. For the nine-month period was nearly by the same period of last year at 0.93 times. Liquidity ratio for the third quarter and nine-month periods of 2019 increased from last year was from 6.08 times to 6.22 times because the Company has current assets and current liability, decreasing from the same period of last year. Receivable Turnover decreased from 1.12 times to 1.07 times for the third quarter of 2019 and decreased from 3.24 times to 3.22 times for the nine-month period of 2019 due to the lower sales. The collection period for the third quarter of 2019 increased from 81 days to 84 days and from 83 days to 84 days for the nine-month period. For a debtor with debt problem, the Company has set aside allowance for doubtful accounts. Inventory turnover in the third quarter of 2019 decreased slightly from 0.79 times to 0.78 times and the nine-month periods of 2019 increased from 2.35 times to 2.43 times, with an inventory holding period were 116 days and 111 days, respectively.

Cash flow received from operating activities decreased from the same period of last year due to the lower profit from operations. Cash flow used in investing activities was from advance payment of production machinery. Cash flow used in financing activities was used in the annual dividend payment.

From the following reasons concluding that the operating results of the Company in the 3<sup>rd</sup> quarter and 9-months periods of year 2019 decreased comparing to last year.

For your consideration to the members of The Stock Exchange of Thailand and those interested to be informed accordingly would be appreciated.

Yours faithfully  
- Signature -

(Mr. Pongsak Thiengviboonvong)  
Managing director