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LWH/ACC 20/02/LT027

February 25, 2020

Subject: Management discussion and analysis for the year ended December 31, 2019

To Director and Manager of the Stock Exchange of Thailand

Referring to the submission of the audited financial statements of WIik Public Company Limited “the Company”, the management would like to discuss and analyse the financial statements for the year 2019 ended December 31, 2019 including the significant situations and order taking in the year and business operation of the Company and its subsidiaries as follows;

Significant changes during the year

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| <p>WIik Public Company Limited (WIik) (Formerly Known as “Wiik & Hoeglund Public Company Limited”)</p> | <ul style="list-style-type: none"> ● Principally engaged in the manufacture and distribution of High Density Polyethylene (HDPE) pipe and related certain fittings, Low Density Polyethylene (LDPE) pipe, Polypropylene (PP) pipe, Polybutylene (PB) pipe, Weholite Spiro pipe. ● On 29 April 2019, the Company adjusted the rights of the warrants to buy ordinary shares of the Company No. 2 (“WIik-W2) from dividend paid in shares to protect the rights of the Warrant holders as follows. <ul style="list-style-type: none"> New Exercise Ratio 1 unit of warrant exercised to purchase 1.185 ordinary share New Exercise Price 4.221 Baht per share. ● On 23 April 2019, the Annual General Meeting of the Company’s shareholders passed resolution approved the increase of the Company’s registered capital from Baht 499,918,044 to be Baht 585,336,575 by issuing 85,418,531 new ordinary shares at par value of Baht 1 each to reserve the payment of the stock dividend 62,489,756 shares and to reserve the right adjustment of WIik-W2 22,928,775 shares. The Company registered the increase in its registered capital with the Ministry of Commerce on 30 May 2019. |
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WIİK PUBLIC COMPANY LIMITED

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| | <ul style="list-style-type: none">● On 18 December 2019, the Extraordinary General Meeting of Shareholders No. 1/2019 passed the following resolutions:<ol style="list-style-type: none">1. Approve the reduction of the Company's registered capital from 585,336,575 Baht to 585,335,328 Baht by canceling the remaining ordinary shares from stock dividends payment of 1,247 shares. The Company registered the reduction of capital with the Ministry of Commerce on 23 December 2019.2. Approved the capital increase from the formerly registered capital of 585,335,328 Baht to the registered capital of 725,335,328 Baht by issuing 140,000,000 ordinary shares with a par value of 1.00 Baht per share for offering to the Private Placement at a price of Baht 1.50 per share. The Company registered the increase of capital with the Ministry of Commerce on 25 December 2019 and authorize the Board of Directors or the authorized director on behalf of the Company for the power to consider, allocate, and offer for sale at one time or divided into partly offering as appropriate.<p>Because the said capital increase procedure does not comply with the regulations of the SEC, therefore, the Company is in the process of proposing to the shareholders' meeting to consider the capital reduction following this resolution and consider and approve the capital increase again after the Company has followed the regulations of the SEC.</p><ul style="list-style-type: none">● On 25 December 2019, the Company registered the change of its name from “Wiik & Hoeglund Public Company Limited” to “WIİK Public Company Limited” with the Ministry of Commerce and remained using the abbreviation “WIİK”. |
| Wiik Water Company Limited (WW) | <ul style="list-style-type: none">● Principally engaged in the consultant and planning for pipe installation system and providing High Density Polyethelene (HDPE) pipe installation service and water management.● On 4 January 2019, the Company purchased 100% of share of WIİK PT Company Limited (“WPT”), a subsidiary that has right to manage the water production plant Patong Municipality, Kathu District, Phuket Province |



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| | <p>(client) dated 16 July 2012 with a term of 30 years (as at 31 December 2019 such agreement remains 24 years).</p> <ul style="list-style-type: none"> On 31 March 2019, Signed the water treatment contract with a company in Wellgrow Industrial Estate for a period of 10 years which has recognize revenue since 1 August 2019. On 25 December 2019, Signed the water treatment contract with a company in Pathum Thani Province for a period of 23 years, At present, the company is in the process of installation systems and expected to be completed and able to recognize revenue since in May 2020. |
| <p>WIJK PT Company Limited (WPT) (Formerly known as “WOG ITR Water Solution Company Limited”)</p> | <ul style="list-style-type: none"> Principally engaged in the Water production by has right to manage the water production plant Patong Municipality, Kathu District, Phuket Province. On 23 January 2019, the Extraordinary General Meeting of Shareholders passed a resolution to approve increasing the registered capital, from Baht 4,857,100 to Baht 60,607,100, an increase of Baht 55,750,000 by issuing 557,500 new ordinary shares at a par value of Baht 100 per share, WPT registered the increase in its registered and paid-up capital with the Ministry of Commerce on 29 May 2019. On 25 June 2019, the Company registered the change of its name from “WOG ITR Water Solution Company Limited” to “WIJK PT Company Limited” with the Ministry of Commerce. |

Analysis of the operating results of WIJK and Subsidiaries for the year ended December 31, 2019 as follows:

Summarized of the Statement of income

| Unit : million Baht | Year 2019 | Year 2018 | Changed (%) |
|--|-----------|-----------|-------------|
| Income from sale pipe | 897.77 | 890.38 | 0.83 |
| Income from installation pipe | 131.92 | 112.09 | 17.69 |
| Incomes from the water management business | | | |
| - Sales and service of water supply | 138.99 | 97.73 | 42.22 |
| - Installation of water production systems and construction of turnkey water treatment systems | 46.96 | 102.71 | (54.28) |



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WIJK

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| Unit : million Baht | Year 2019 | Year 2018 | Changed (%) |
|--|------------------|-----------------|---------------|
| Other income | 37.71 | 18.73 | 101.33 |
| Total revenues | 1,253.34 | 1,221.64 | 2.59 |
| Cost from sale pipe | 791.37 | 815.23 | (2.93) |
| Cost from installation pipe | 118.39 | 103.11 | 14.82 |
| Cost from the water management business | | | |
| - Sales and service of water supply | 88.50 | 61.68 | 43.48 |
| - Installation of water production systems and construction of turnkey water treatment systems | 34.69 | 81.63 | (57.50) |
| Selling expenses | 58.75 | 43.36 | 35.49 |
| Administrative expenses | | | |
| - WIJK | 55.63 | 53.03 | 4.90 |
| - WW | 41.87 | 20.35 | 105.75 |
| Finance cost | 42.25 | 34.20 | 23.54 |
| Profit before income tax income (expenses) | 21,843.52 | 9,051.28 | 141.33 |
| Income tax income (expenses) | (0.28) | 3.25 | (108.62) |
| Profit for the year | 21.57 | 12.30 | 75.37 |

The operating results of the Company and its subsidiaries in the year 2019 changed over 20%. The Company and its subsidiaries have the net profit amount of Baht 21.57 million compared to Baht 12.30 million in the year 2018. The Company's profit increased by Baht 9.27 million or 75.37% due to the major reasons as follows;

- Incomes from sale pipe in the year 2019 increased from the year 2018 by Baht 7.39 million or 0.83% from;
 - Domestic sales increased by Baht 68.51 million or 10.09%
 - Export sales decreased by Baht 61.13 million or 28.96%. The major decreasing came from installation income from a customer in Lao.
- Incomes from installation pipe in the year 2019 increased from the year 2018 by Baht 19.83 million or 17.69% from;
 - Domestic installation revenue increased by Baht 39.83 million or 187.23%
 - Export installation revenue decreased by Baht 20.00 million or 22.02%.
- Incomes from the water management business are categorized to two types.



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3.1 Income from water treatment and distribution increased by Baht 41.26 million, The major increasing came from WIJK PT Company Limited possessing a water treatment contract with Patong Municipality, Phuket Province of a subsidiary. It's started to recognize revenue from 4 January 2019 by Baht 36.05 million.

3.2 Income from installation and sale of water treatment systems decreased by Baht 55.75 million, the major decrease was from the turnkey construction projects of water treatment & waste water treatment plants.

4. Other income increased from the year 2018 by Baht 18.98 million or 101.33%, the major increase came from Baht 19.30 million export delivery charge.

5. Cost of sales of pipes for the year 2019 was 88.15% of income. The cost per income rate decreased from the year 2018 which was 91.56 percent of income. The major reason was the cost of raw materials used in production was lower than the year 2018.

6. Cost of installation of pipes for the year 2019 was 89.75% of income. The cost per income rate decreased from the year 2018 which was 91.99 percent of income.

7. Costs from the water management business were categorized to two types.

7.1 Cost from sale and service of water supply for the year 2019 was 63.67% of income. The cost per income rate increased when compared to the year 2018 which was 63.11 percent of income.

7.2 Cost from installation of water production systems and construction of turnkey water treatment systems for the year 2019 was 73.87% of income. The cost per income rate decreased from the year 2018 which was 79.48 percent of income.

8. Selling expenses for the year 2019 increased from year 2018 in amount of Baht 15.39 million or 35.49%, the major increase was from export expenses aligned with the increasing in revenue as described in no 4.

9. Administrative expenses for the year 2019 increased from year 2018 in amount of Baht 24.13 million or 32.88% as follows:

9.1 Employee benefits expense increased in amount of 9.95 million Baht. This came from increment of number of staff to support new incoming projects.

9.2 Consulting fees for the audit of the business condition and legal aspects of the subsidiary investment in the amount of Baht 2.25 million.

9.3 In the year 2018, there was a reversal doubtful debt by Baht 7.69 million while there was the year 2019 was addition provision for doubtful debt in amount of Baht 2.02 million in the year 2019.

9.4 Other expenses increased by Baht 2.22 million form normal business operating.

10. Financial cost in the year 2019 increased from year 2018 in amount of Baht 8.05 million or 23.54%, the increasing came from issuing debenture, bill of exchange, loans for general business operations and water management project.

11. Tax expenses in the year 2019 was Baht 0.28 million while there was Baht 3.25 tax income in the year 2018. It is increased by Baht 3.53 million from increasing of profit.



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12. Backlog

| (Unit : Million Baht) | 31 December 2019 | 31 December 2018 |
|--|------------------|------------------|
| Sales and installation of the pipeline business group | 611.64 | 598.69 |
| Water management business group (Only amount to be recognized in year 2020) | | |
| - Sales and service of water supply | 175.98 | 144.22 |
| - Installation of water production systems and construction of turnkey water treatment systems | 85.84 | 25.56 |
| Total | 873.46 | 768.47 |

Yours Truly,
WIik PUBLIC CO., LTD.

Mr. Wiboon Sangwithayanon
Chief Executive Officer