26 February, 2020

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 the Year 2019

The company would like to report the company operating results for year 2019 as follows:-

1. Business Overview

For 2019, the product demand in Thailand is relatively stable compared to the previous year due to the stagnation of construction industry, while the market competition is more intense.

1.1 Net Sales

For 2019, the company's net sales amounted to 2,025.85 million baht, representing an increase of 371.70 million baht, equivalent to 15.50% compared to 2018. The decrease in sales resulted from both volume and price decreased. The sales volume decreased from export. The proportion of sales: 80.08% came from domestic and 19.92% came from export. The main driven factor for the sale price decreased is mainly from the price competition.

1.2 Cost of sales

Costs of goods sold in 2019 amounted to 1,934.53 million baht, decrease by 310.73 million baht or 13.84% from the previous year. This was mainly from the sale volume and price of raw material decreased.

1.3 Net Profit

The net profit in 2019 totaled 18.42 million baht, decreased by 30.57 million baht or 62.40% from the previous year. Profit fell due to profit from normal operating activities decreased, which was a result of lower selling prices due to the intensified market competition.

1.4 Expenses

The operating expenses amounted of Baht 138.76 million, a decrease of Baht 33.16 million, mainly due to the provision for employee benefits related to the revision of post-employment amounted 11.26 million baht and 30.27 million baht in 2019 and 2018 respectively. While selling and administrative expenses increased due to the increase in sales volume.

2. The Financial Position

2.1 Assets

As at 31 December 2019, the total assets are worth 1,796.89 million baht, representing an decrease of 139.79 million baht or 7.22% from 31 December 2018. This main reason was the decrease of trade receivable and inventories. The trade accounts receivable decreased as sales fell and inventories decreased from both volume and price drop.

2.2 Debt to Equity Ratio

As at 31 December 2019, the company's debt to equity ratio was 0.17, down from the previous year due to payment of trade payables.

Yours faithfully,

(Mr.Akamin Nganthavee)

Managing Director