14 May 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 Q1'2020

The company would like to disclose the information concerning the operating result for the 1st quarter of 2020 compared to the same period of previous year. The details are as follows:-

1. The Business Operation

1.1 Net Sales

For Q1'2020, the company's net sales amounted to Baht 420.59 million, a decrease of Baht 139.20 million or 24.87% compared to Q1'2019. The decrease in sales resulted from sales volume and sales price decreased. Sales volume decreased from both domestic sale and export while selling price decreased from the price competition. The proportion of sales: 81.68% came from domestic and 18.32% came from export.

1.2 Cost of sales

In Q1'2020, cost of sales was Baht 395.65 million, a decrease of Baht 151.95 million or 27.75% compared to Q1'2019. This was because sales volume and raw material prices were lower than the same period last year.

1.3 Other Income

Other income was Baht 11.04 million, a decrease of Baht 38.44 million. The reason was that the company received cash from sale of claims in loan to related company amounting to Baht 40 million in Q1'2019.

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

2.1 <u>Assets</u>

As at 31 March 2020, the total assets are worth Baht 1,857.17 million, representing an increase of Baht 60.28 million or 3.35% from 31 December 2019. The main reason was trade receivables decreased as sales decreased while the inventories increased from the quantity increased.

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

As at 31 March 2020, the company's debt to equity ratio was 0.21, up from the previous year due to an increase in trust receipt and trade accounts payable.

Yours faithfully,

(Mr.Akamin Nganthavee)

Managing Director