12 November 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 Q3'2020

The company would like to disclose the information concerning the operating result for the 3rd quarter of 2020 compared to the same period of previous year. The details are as follows:-

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

   1.1 Net Sales

   For Q3'2020, the company's net sales amounted to Baht 420.64 million, a decrease of Baht 156.20 million or 27.08% compared to Q3'2019. The decrease in sales resulted from both volume and price decreased. The sales volume decreased from domestic sales. The proportion of sales: 73.63% came from domestic and 26.37% came from export. The main driven factor for the sale price decreased is mainly from the price competition.

   1.2 Cost of sales

   In Q3'2020, the cost of sales was amounted Baht 393.14 million, a decrease of Baht 142.48 million or 26.60% compared to Q3'2019. This was mainly from the sale volume and price of raw material decreased.

   1.3 Expenses

   The operating expenses amounted of Baht 27.68 million, a decrease of Baht 9.07 million or 24.68%. The main reason was selling and administrative expenses decreased due to the decrease in sales volume and the reversal of allowance for decline in value of inventories.

1.4 Other income

Other income amounted of Baht 9.88 million, an increase of Baht 3.13 million from gain on foreign exchange and gain on revaluation of other current financial assets.

As a result, the net profit in the 3rd quarter of 2020 totaled Baht 9.69 million, down by Baht 0.03 million compared to the same period of previous year.

2. The Financial Position

2.1 Assets

As at 30 September 2020, the total assets are worth Baht 1,858.32 million, representing an increase of Baht 61.43 million or 3.42% from 31 December 2019. This was mainly due to an increase in cash as repayment for trade payable and a source of working capital for business operation. While trade receivables decreased due to the decrease in sales volume.

2.2 Debt to Equity Ratio

As at 30 September 2020, the company's debt to equity ratio was 0.23, up from the previous year due to the increase in trade payable for raw materials which was imported at the end of this period.

Yours faithfully,

(Mr.Akamin Nganthavee)

Managing Director