23 February, 2021

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 2020

The company would like to report the company operating results for year 2020 as follows:-

1. Business Overview

For 2020, the product demand in Thailand is decline compared to the previous year due to an economic slowdown while the market competition is more intense.

1.1 Net Sales

For 2020, the company's net sales amounted to 1,643.00 million baht, representing an decrease of 382.85 million baht, equivalent to 18.90% compared to 2019. The decrease in sales resulted from both volume and price decreased. The sales volume decreased from domestic. The main driven factor for the sale price decreased is mainly from the price competition. The proportion of sales: 77.86% came from domestic and 22.14% came from export.

1.2 Cost of sales

Costs of goods sold in 2020 amounted to 1,554.60 million baht, decrease by 379.93 million baht or 19.64% from the previous year. This was mainly from the sale volume and price of raw material decreased.

1.3 Net Profit

The net loss in 2020 totaled 12.86 million baht, decreased by 31.28 million baht or 169.82% 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 and gain on sale of the right to claim in loan to related company amounted 39.90 million baht in the previous year.

1.4 Expenses

The operating expenses amounted of Baht 120.29 million, a decrease of Baht 20.48 million, mainly due to the provision for employee benefits related to the revision of post-employment amounted 11.26 million in 2019. While selling and administrative expenses decreased due to the decrease in sales volume.

2. The Financial Position

2.1 Assets

As at 31 December 2020, the total assets are worth 1,931.42 million baht, representing a decrease of 134.53 million baht or 7.49% from 31 December 2019. This main reason was the increase of right of used asset amounted 285.29 million baht (To comply with TFRS 16 Leases) while the trade receivable and inventories decreased. The trade accounts receivable decreased as sales fell and inventories decreased from both volume and price drop.

2.2 Liabilities

As at 31 December 2020, the total liabilities are 447.10 million baht, an increase of 184.74 million baht or 70.41% from the previous year. The reason was the decrease of trust receipts amounted 119.96 million baht while the lease liability and trade payable and other increase. The lease liability increased 280.91 million baht (To comply with TFRS 16 Leases) and trade payable and other increased from the imported raw material at the end of the year 2020.

2.3 Debt to Equity Ratio

As at 31 December 2020, the company's debt to equity ratio was 0.30, up from the previous year due to the increase of lease liability and trade payable and other.

Yours faithfully,

(Mr.Akamin Nganthavee)

Managing Director