

12 November 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 Q3'2021

The company would like to disclose the information concerning the operating result for the 3rd quarter of 2021 compared to the same period of previous year. The details are as follows:-

1. The Business Operation

1.1 Net Sales

For Q3'2021, the company's net sales amounted to Baht 484.34 million, an increase of Baht 63.70 million or 15.14% compared to Q3'2020. The increase in sales resulted from price increased while the sale volume decreased. The sales volume decreased from both domestic sales and export. However, the situation of Coronavirus disease 2019 pandemic is continuing to evolve, resulting in an economic slowdown and the Steel Industry in particular, due to the temporary shutdown of the construction activities. The proportion of sales: 83.21% came from domestic and 16.79% came from export.

1.2 Cost of sales

In Q3'2021, the cost of sales was amounted Baht 431.72 million, an increase of Baht 38.58 million or 9.81% compared to Q3'2020. This was mainly from the price of raw material increased

1.3 Expenses

The operating expenses amounted of Baht 43.13 million, an increase of Baht 15.45 million or 55.82%, the main reason was selling and administrative expenses increased due to the

increase in loss on fair value of derivative contracts, estimating for the employee expense, and allowance for decline in value of inventories.

1.4 Other income

Other income amounted of Baht 1.45 million, a decrease of Baht 8.42 million from gain on foreign exchange and gain on fair value of derivative contracts decreased.

As a result, the net profit in the 3rd quarter of 2021 totaled Baht 6.96 million, down by Baht 2.73 million compared to the same period of previous year.

2. The Financial Position

2.1 Assets

As at 30 September 2021, the total assets are worth Baht 2,449.47 million, representing an increase of Baht 518.05 million or 26.82% from 31 December 2020. This was mainly due to increase in inventories of both volume and price.

2.2 Debt to Equity Ratio

As at 30 September 2021, the company's debt to equity ratio was 0.59, up from the previous year due to the increase in trade payables and trust receipts for raw materials which was imported during this period.

Yours faithfully,

(Mr.Akamin Nganthavee)

Managing Director