

Translation

UWC 014-2019

May 14, 2019

Subject : Management Discussion and Analysis for quarter 1-2019

To : President of the Stock Exchange of Thailand

Ua Withya Public Company Limited ("Company") would like to describe and analyze the financial position and operating results for quarter 1-2019 are summarized as follows.

Performance Analysis

For the Quarter 1-2019, the Company and its subsidiaries had total revenue of 353.79 million baht, an increase of 55.57 million baht or 18.63 percent, with the total net loss of 175.13 million baht or increased 401.23 percent and net loss owners of the parent total 172.13 million baht or increased 471.10 percent compared to the same period in 2018 had total revenues 298.22 million baht while the net loss of 34.94 million baht and net lost owners of the parent 30.14 million baht the overall operating results for the three-months period of year 2019 compare to the same period of year 2018 is shown in table 1 below.

Table 1 provides an overview of performance.

Unit : Million Baht

	Items	For the three-months ended 31 March			
		2019	2018	Increased (Decreased)	
				Amount	Percentage
1	Revenue from steel tower manufacturing	226.94	177.01	49.93	28.21
2	Revenue from sale of industrial equipment	2.36	3.52	(1.16)	(32.95)
3	Revenue from sales of other products	0.02	2.99	(2.97)	(99.33)
4	Revenue from sales of electricity	116.57	104.13	12.44	11.95
5	Other income	7.90	10.57	(2.67)	(25.26)
6	Total Revenues	353.79	298.22	55.57	18.63
7	Total expenses	489.12	334.31	154.81	46.31
8	Profit(Loss) before income tax	(135.32)	(36.09)	(99.23)	274.95
9	Net Profit (Loss)	(175.13)	(34.94)	(140.19)	401.23
10	Net Profit (Loss) owners of the parent	(172.13)	(30.14)	(141.99)	471.10

1. Analysis of results of operations.

1.1 Income

In Quarter 1-2019 the Company and its subsidiaries had the total revenues of 353.79 million baht or 55.57 million baht increased when compare to the same period of 2018 as amounting of 298.22 million or 18.63 percent thus details are as follow:

- The Company's income from project as amounting of 226.94 Million Baht as 49.93 Million Baht increased or 28.21 percent when compared to same period of year 2018 of 177.01 Million Baht due to more deliver to customers
- The Company has revenue from sales of industrial equipment of 2.36 million baht as 1.16 million baht decreased or 32.88 percent when compared to the same period in 2018 was 3.52 million baht
- The company and its subsidiaries has revenue from sales of other products of 0.02 million Baht as 2.97 Million Baht decreased or 99.38 percent when compared to same period of year 2018 of 2.99 Million Baht
- The company and its subsidiaries has revenue from sales of electricity of 116.56 Million Baht as 12.43 million baht increased or 11.94 percent when compared to same period of year 2018 of 104.13 Million Baht due to more sales volume in term of electricity
- The other income in Quarter 1-2019 in the amount of 7.90 million baht or 2.23 percent of total revenues due to revenue from sales of scrap on raw material of 6.57 million baht, revenue from rental related companies of 0.60 million baht interest receive of 0.09 million baht, interest receive from related company of 0.13 million baht and others of 0.51 million baht

1.2 Cost and Expenses

In Quarter 1-2019, the company and its subsidiaries had Loss Margin (22.69) percent and Net loss (49.50) percent of total revenues when compare to the same period in 2018 was Gross Margin 2.20 percent and Net loss (11.72) percent of total revenues.

	Items	Amount (million baht) , %				Amount increased (decreased)	
		Q1- 2019	%	Q1- 2018	%	MB	%
1	Total Revenue	353.79	100.00	298.22	100.00	55.57	18.63
2	Cost of steel tower manufacturing and cost of sales	434.06	122.69	291.67	97.80	142.39	48.82
3	Gross Profit (loss)	(80.27)	(22.69)	6.55	2.20	(86.82)	(1,325.50)
4	Sales and administrative expenses	37.89	10.71	26.62	8.93	11.27	42.34
5	Profit (loss) before finance cost and income tax expenses	(118.16)	(33.40)	(20.07)	(6.73)	(98.09)	488.74
6	Financial cost	17.16	4.85	16.02	5.37	1.14	7.12
7	Profit (loss)before income tax (expense)	(135.32)	(38.25)	(36.09)	(12.10)	(99.23)	274.95
8	Income Tax (expense) income	39.81	11.25	(1.15)	(0.39)	40.96	(3,561.74)
9	Net Profit (Loss)	(175.13)	(49.50)	(34.94)	(11.72)	(140.19)	401.23
10	Net Profit (Loss) in owners of the parent	(172.13)	(39.66)	(30.14)	(10.33)	(141.99)	471.10

1.2.1 Gross Profit (loss)

In Quarter 1-2019, the Company and its subsidiaries had gross loss (80.27) percent. It was a decreased compared to the same period of 2017, the gross profit 2.20 percent.

1.2.2 Expenses

In Quarter 1-2019, the Company and its subsidiaries had a total cost and expenses 489.12 million baht, the expenses increased from 2018, with a total cost and expenses of 334.31 million baht, an increase of 154.81 million baht or 46.31 percent by the following reasons.

- Cost of steel tower manufacturing 304.08 million baht, an increase of 143.28 million baht as approximately increase of 89.11 percent when compared to the same period in 2018 in the amount of 160.80 million baht vary by amount of projects that the company has delivered to the customer thus there is recognition of all remaining expenses of closed

projects in accordance to purchasing order together with remaining revenue from deliver

- Cost of sale of industrial equipment 1.75 million baht, a decrease of 0.97 million baht or 35.61 percent compared to the same period in 2018 as amounting of 2.72 million baht
- Cost of sales of other products 4.68 million baht, a decrease of 6.22 million baht or approximately 57.05 percent compared to the same period in 2018 as amounting of 10.90 million baht by fluctuate from decrease of sales volume and same cost of production
- Cost of sales of electricity of 123.54 Million Baht as 6.29 Million Baht increased or 5.37 percent when compared to same period of year 2018 as amounting of 117.25 million baht by fluctuate in accordance with more sales volume.
- Selling expenses amounting of 1.26 million baht a decreased of 0.54 million baht or approximately 30.12 percent when compared to the same period of the year 2018 was 1.80 million baht.
- Administrative expenses amounting of 32.96 million baht, an increase of 9.49 million baht or approximately 40.48 percent increase when compared to the same period in 2018 as amounting of 23.46 Million baht.
- Finance costs consist of interest expense and banking fee of 17.16 million baht, an increase of 1.14 million baht or 7.12 percent increase when compared to the same period in 2018 as amount of 16.02 million baht.

1.2.3 Net profit (Loss)

In Quarter 1-2019, the Company and its subsidiaries had a net loss of 175.13 million baht due to loss from owners of the parent as amount of 172.13 million baht and loss to non-controlling interests amount of 3.00 million baht as increased loss of 140.19 million baht or equivalent 401.23 percent when compared to the same period in 2018 has net loss of 34.94 million baht was in loss to owners of the parent amount of 30.14 million baht.

- Income TAX has been recorded as cancellation of assets (liabilities) thus income tax for 2 Power Plant which has not fully operated as amounting of 40.89 Million Baht which cause income tax expenses in this quarter

2. Financial Analysis

Table 3 : Overview statement of financial position

	Items	Amount (Million baht)		Increased (decreased)	
		As of March 31,2019	As of December 31,2018	Million baht	Percent
1	Total Assets	3,347.42	3,076.35	271.07	8.81
2	Total Liabilities	2,047.32	1,600.54	446.78	27.91
3	Total Shareholders' Equity	1,300.10	1,475.81	(175.71)	(11.91)

2.1 Assets

As of March 31, 2019, the company and its subsidiaries had total assets of 3,347.42 million baht, an increased from as of December 31, 2018, with total assets of 3,076.35 million baht, an increased in the amount of 271.07 million baht, by following reasons.

- Cash and cash equivalents amount of 439.75 million baht had a net increase of 370.67 million baht when compared to year 2018 had in the amount of 69.07 million baht as the main reason come from receive money (subsidiaries has long term loan from financial institution) as amounting of 330 Million Baht. Moreover, preparing mentioned money for redeem some of debenture as amounting of 500 Million Baht in April 2019
- Trade and other receivables 540.60 million baht, decrease of 37.90 million baht, compare to year 2018, which had amount of 578.50 million baht Variable according to volume of income
- Short term loans to related company of 8.51 Million Baht as 0.17 Million Baht decreased when compared to year 2018 of 8.68 Million Baht
- Inventories of 515.94 Million Baht a decrease of 28.20 Million Baht when compared to year 2018 as amount of 544.14 Million Baht

- Other current assets 30.44 million baht, increase of 12.31 million baht compare to year 2018 had the amount of 18.13 million baht
- Deposit used as collateral of 35.53 million baht and decrease of 17.51 million baht compared to year 2018 which amount of 53.04 Million Baht
- Investment in associates of 130.20 million baht as net decrease of 2.98 million baht when compared to year 2018 as amount of 133.18 million baht.
- Land, Building and other materials of 1,281.09 Million Baht as net decrease of 17.75 Million Baht when compared to year 2018 as amount of 1,298.84 Million Baht
- Intangible assets in the amount of 166.24 million baht. A decrease of 6.22 million baht, compared to year 2018 which had the amount of 172.46 million baht.

2.2 Liabilities

As of March 31, 2019, the Company and its subsidiaries had total liabilities of 2,047.32 million baht, increase of 446.78 million baht from the year 2018, which was amount 1,600.54 million baht as vary from increase in trade accounts payable and other payables of 67.37 Million Baht, short term loan from third party of 30.50 Million Baht, Long term borrowing from a financial institution of 330.00 million baht and Deferred tax liabilities of 38.64 Million Baht decrease in Bank overdrafts and short-term loans from financial institutions of 0.56 Million Baht, short term loan to related company of 10.00 Million Baht, other non-current liabilities of 3.68 Million Baht, liabilities under lease agreement of 5.06 Million Baht and provision for employee benefits of 0.41 Million Baht

2.3 Shareholders' Equity

As of March 31, 2019, the Company and its subsidiaries had a loss from operations 172.13 million baht, other components of shareholders' equity decreased as amount of 0.40 Million Baht, Non-controlling interests of 3.18 Million Baht which cause decrease in ownership of 1,300.10 Million Baht from year 2018 as amount of 1,475.81 Million Baht or 175.71 Million Baht decreased.

Please be informed accordingly,

Yours sincerely,
Mr. Monthon Chatuwatlopkul
Director