

May 15, 2019

Subject: Managing Discussion and Analysis for Q1/2019

To: **Managing Director**

The Stock Exchange of Thailand

The company would like to report to operation results for the company and subsidiary for 1st quarter of 2019 ended 31 March 2019. The company net profit of Baht 34.66 million when compared with the same period of year 2018 posted net profit of Baht 31.94 million due to the following reasons.

1. The company and its subsidiaries had revenue from sales and services amounted of Baht 552.92 million compared with the same period of year 2018 revenues from sales and services amounted of Baht 483.54 million. The revenue from sales and services increased in the amount of Baht 69.38 million or 14.35 percent income increased due

1.1 The company has revenue from sales and services from the leather business for 1st quarter of 2019 in the amount of Baht 405.62 million, net profit of Baht 27.20 million, decreased compared with the same period of year 2018, the company has revenue from sales and services of Baht 464.54 million, a net profit of Baht 50.72 million due to the revenue from sale of leather products for car seats decreased from the number of production cars according to model received. For the first quarter of 2018, the company had a gain from the sale non-current assets held for sale in the amount of Baht 32.02 million.

1.2 The company's income from energy business in Q1/2019 was Baht 84.87 million, increased from Q1/2018 the company's income from energy business was Baht 11.07 million. As the subsidiary company started to generate revenue from commercial biomass fuel sales in Q2/2018.

1.3 The company's income from design and distribution of boat and minibus made by aluminum for 1st quarter of 2019 in the amount of 54.18 million.

2. The company's cost of sales and services in the amount of Baht 440.20 million or 79.62 percent of its revenue from sales and services. The percentage of cost of sales and service income decreased compared to the same quarter of last year which presented in the amount of Baht 415.11 million or 85.85 percent. Due to the leather business group has continuously improved the production process to reduce production costs and the energy business group has improved the work processes of setting up machinery and manage stock for more efficient production and sales of electricity in the long run.

3. The company's selling and administrative expenses for this quarter in the amount of Baht 58.78 million or 10.63 percent of its revenue from sales and services. Decreased compared to same period which selling and administrative expenses in the amount of Baht 63.20 million or 13.07 percent. As the company has sales expenses in the leather and car seat business decreased due to the lower sales but for the boat and minibus business, there is an increase in selling expenses due to the promotion of sales programs.

4. The financial position of the Company and its subsidiaries as at March 31, 2019 total assets were Baht 3,934.90 million, divided into total current assets of Baht 1,098.23 million, non-current assets of Baht 2,836.68 million, total liabilities of Baht 2,328.79 million, divided in to total current liabilities of Baht 882.27 million and non-current liabilities of Baht 1,446.53 million and total shareholders' equity totaled Baht 1,606.11 million. As at December 31, 2018, the Company and its subsidiaries had total assets were Baht 3,958.13 million, divided into total current assets of Baht 1,169.54 million, non –current assets of Baht 2,788.60 million baht, total liabilities of 2,471.86 million baht, divided into total current liabilities of 994.44 million baht and non-current liabilities of 1,477.42 million baht and total shareholders' equity was 1,486.27 million baht. The current ratio as at March 31, 2019 is 1.25 times. Compared to December 31, 2018, the rate was 1.18 times due to short-term loans and trade accounts payable decreased due to repayment of current liabilities. Non-current assets of land Property and equipment as at March 31, 2019 were Baht 2,556.62 million, compared with Baht 2,510.53 million as at December 31, 2018. Increased by Baht 46.09 million as a result of subsidiaries company has invested more molds for producing minibus.

Please be informed accordingly.

Your Sincerely,

(Mr. Weerapon Chaiteerath)

Managing Director