

August 14, 2019

Subject: Managing Discussion and Analysis for Q2/2019

To: **Managing Director**

The Stock Exchange of Thailand

The company would like to report to operation results for the company and subsidiary for 2nd quarter of 2019 ended 30 June 2019. The company net profit of Baht 47.19 million when compared with the same period of year 2018 posted net loss of Baht 10.49 million due to the following reasons.

1. The company and its subsidiaries had revenue from sales and services amounted of Baht 486.93 million compared with the same period of year 2018 revenues from sales and services amounted of Baht 435.90 million. The revenue from sales and services increased in the amount of Baht 51.03 million or 11.70 percent income increased due

1.1 The company has revenue from sales and services from the leather business for 2nd quarter of 2019 in the amount of Baht 374.86 million, net profit of Baht 46.15 million, decreased compared with the same period of year 2018, the company has revenue from sales and services of Baht 380.02 million, a net profit of Baht 12.92 million increased profits due to more efficient cost control.

1.2 The company's income from energy business in Q2/2019 was Baht 85.19 million, increased from Q2/2018 the company's income from energy business was Baht 53.18 million. As the subsidiary company produces electricity at full capacity.

1.3 The company's income from design and distribution of boat and minibus made by aluminum for 2nd quarter of 2019 in the amount of 19.15 million.

2. The company's cost of sales and services in the amount of Baht 358.72 million or 73.66 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 354.49 million or 81.32 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 64.96 million or 13.34 percent of its revenue from sales and services. Increased compared to same period which selling and administrative expenses in the amount of Baht 57.87 million or 13.27 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 June 30, 2019 total assets were Baht 3,888.04 million, divided into total current assets of Baht 1,049.74 million, non-current assets of Baht 2,838.30 million, total liabilities of Baht 2,328.79 million, divided in to total current liabilities of Baht 1,168.96 million and non-current liabilities of Baht 1,090.63 million and total shareholders' equity totaled Baht 1,628.45 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 0.89 times. Non-current assets of land Property and equipment as at June 30, 2019 were Baht 2,562.16 million, compared with Baht 2,510.53 million as at December 31, 2018. Increased by Baht 51.63 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