

August 14, 2019

Subject : Management Discussion and Analysis for Six-month and 2nd quarter ended June 30, 2019

Attention : President

The Stock Exchange of Thailand

1. Operating Performance

1.1 Revenues

Consolidated financial statements							(Thousands Baht)	
	Six-month		Change		2 nd Quarter		Change	
	2562	2561	Amount	%	2562	2561	Amount	%
Revenue from sales	1,068,077	740,665	327,412	44.21%	512,616	372,742	139,874	37.53%
Other income	19,836	12,728	7,108	55.85%	7,490	3,583	3,907	109.04%
Total Revenue	1,087,913	753,393	334,520	44.40%	520,106	376,325	143,781	38.21%

Company total revenue on six-month and 2nd quarter of year 2019 increased 44.40 and 38.21 percent from the same period of last year. Main attribution is increasing in sales quantities from 2nd production line. However, continuously decreasing in selling price from 4th quarter of 2018 affect revenue from sales slightly increase in comparison to increasing in sales quantities. Other income increased 55.85 and 109.04 percent from the same period of last year for a reason of increasing in gain from exchange rate.

1.2 Cost of goods sold and expenses

Consolidated financial statements							(Thousands Baht)	
	Six-month		Change		2 nd Quarter		Change	
	2562	2561	Amount	%	2562	2561	Amount	%
Cost of goods sold	-878,786	-516,619	-362,167	70.10%	-425,620	-272,478	-153,142	56.20%
Selling expenses	-155,122	-101,809	-53,313	52.37%	-70,430	-46,885	-23,545	50.22%
Administrative expenses	-28,711	-40,970	12,259	-29.92%	-14,620	-21,259	6,639	-31.23%
Finance Costs	-12,476	-172	-12,304	7153.49%	-6,728	-98	-6,630	6765.31%
Total	-1,075,095	-659,570	-415,525	63.00%	-517,398	-340,720	-176,678	51.85%

Cost of goods sold on six-month and 2nd quarter of 2019 increased 70.10 and 56.20 percent from the same period of last year, due to higher sale volume from 2nd production line and higher wood price.

Selling expenses on six-month and 2nd quarter of 2019 increased 52.37 and 50.22 percent from the same period of last year, due to higher sale volume from 2nd production line.

Administrative expenses on six-month and 2nd quarter of 2019 decreased 29.92 and 31.23 percent from the same period of last year, due to additional administrative expenses from expanding in 2nd production line was done in the end of 3th quarter of last year, lead to decreasing in administrative expenses.

Financial cost on six-moth and 2nd quarter of 2019 increased significantly 7,153.49 and 6,765.31 percent from the same period of last year, caused by loan drawdown for 2nd production line investment project.

As a result, cost of goods sold and expenses on six-month and 2nd quarter of 2019 increased significantly 63.00 and 51.85 percent from the same period of last year.

1.3 Profit

Consolidated financial statements							(Thousands Baht)	
	Six-month		Change		2 nd Quarter		Change	
	2562	2561	Amount	%	2562	2561	Amount	%
Gross profit	189,291	224,046	-34,755	-15.51%	86,996	100,264	-13,268	-13.23%
Profit before income tax	12,818	93,823	-81,005	-86.34%	2,708	35,605	-32,897	-92.39%
Net profit for period	9,878	82,926	-73,048	-88.09%	6,189	31,606	-25,417	-80.42%

From revenues, cost of goods sold and expenses factors, company profit before income tax of six-month and 2nd quarter 2019 was 12.82 and 2.71 million baht decreased 86.34 and 92.39 percent and net profit of six-month and 2nd quarter ended June 30, 2019 was 9.88 and 6.19 million baht decreased 88.09 and 80.42 percent from the same period of last year.

Sincerely Yours,

(Ms. Orawan Sangwongkit)

Chief Financial Officer