

November 13, 2019

Subject: Managing Discussion and Analysis for Q3/2019

To: **Managing Director**

The Stock Exchange of Thailand

The company would like to report to operation results for the company and subsidiary for 3rd quarter of 2019 ended 30 September 2019. The company net profit of Baht 0.89 million when compared with the same period of year 2018 posted net profit of Baht 31.56 million due to the following reasons.

1. The company and its subsidiaries had revenue from sales and services amounted of Baht 484.59 million compared with the same period of year 2018 revenues from sales and services amounted of Baht 520.86 million. The revenue from sales and services decreased in the amount of Baht 31.56 million which results from the following

1.1 The company has revenue from sales and services from the leather business for 3rd quarter of 2019 in the amount of Baht 340.89 million, net profit of Baht 18.13 million, decreased compared with the same period of year 2018, the company has revenue from sales and services of Baht 423.48 million, a net profit of Baht 26.82 million. Due to the decreased in sales of automotive leather cutting due to the number of cars models received.

1.2 The company's income from energy business in Q3/2019 was Baht 90.00 million, decreased from Q3/2018 the company's income from energy business was Baht 97.30 million. Due to decreased management income.

1.3 The company's income from design and distribution of boat and minibus made by aluminum for Q3/2019 in the amount of 45.86 million, increased from Q3/2018 the company's income in the amount of Baht 11.44 million.

2. The company's cost of sales and services in the amount of Baht 400.04 million or 82.55 percent of its revenue from sales and services. The percentage of cost of sales and service income increased compared to the same quarter of last year which presented in the amount of Baht 419.89 million or 80.61 percent. Due to the provision for reserve for retirement staff expenses.

3. The company's selling and administrative expenses for this quarter in the amount of Baht 64.53 million or 13.31 percent of its revenue from sales and services. Increased compared to same period which selling and administrative expenses in the amount of Baht 55.64 million or 10.68 percent. Due to 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 September 30, 2019 total assets were Baht 3,780.28 million, divided into total current assets of Baht 960.33 million, non-current assets of Baht 2,819.95 million, total liabilities of Baht 2,153.67 million, divided in to total current liabilities of Baht 1,395.44 million and non-current liabilities of Baht 758.23 million and total shareholders' equity totaled Baht 1,626.62 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 September 30, 2019 is 0.68 times. Non-current assets of land Property and equipment as at September 30, 2019 were Baht 2,544.17 million, compared with Baht 2,510.53 million as at December 31, 2018. Increased by Baht 33.64 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