



บริษัท ระยองไวร์ อินดัสตรีส์ จำกัด (มหาชน)
RAYONG WIRE INDUSTRIES PUBLIC COMPANY LIMITED
ทะเบียนเลขที่ 0107552000111



November13, 2019

Reference no. RWI/RY/020/2562

Subject : Management's Discussion and Analysis of Business Operations of the Third Quarter of 2019

Dear The Director and Manager of the Stock Exchange of Thailand,

Rayong Wire Industries Plc. as (THE COMPANY) would like to describe and analyze the financial position and business operation of the 3rd quarter of 2019 that has been audited from the external auditor, in order to disclose the information to investors and public.

The Overview of Business Operation

In the 3rd quarter of 2019, the company had net loss of 101.30 million baht, decreased by 129.19 million baht or 463.31% comparing to the net profit of 27.88 million baht in the 3rd quarter of previous year. The details are as follows:

Financial Analysis

Revenues

The company had the total revenues as 137.75 million baht which is decreased as 167.54 million baht, compared to the total income of last year amounted of 305.28 million baht or decreased as 54.88% because the sales volume and domestic selling price was drop due to the keen competition. The cost of raw material was fluctuated as well. Although the export sales was increased continuously but the Thai Baht appreciation occurred rapidly in 3rd quarter that affected to the export income significantly. However, the company had the prevention measure



through Forex hedging of export payment from overseas customers, therefore, it would impact on the income recognition only.

Cost of Goods Sold

The company had the cost of goods sold as 136.60 million baht, decreased as 112.24 million baht, comparing to the cost of goods sold in 2018 which is 248.84 million baht or decreased by 45.11 percent. The cost of goods sold reduced as well as the reduction of sales volume but it did not much affect to the cost of goods sold. The company had managed the stock and the cost of raw material strictly and precisely.

Expense

Sales and Administration

In the 3rd quarter of 2019, the company had the selling cost of 6.74 million baht, decreased by 4.70 million baht or 41.08 % compared to the same period of 2018 which is 11.45 million baht. The decrement of sales quantity impacted on the decrement of transportation cost.

As for the administration cost of 3rd quarter of 2019, it was 12.19 million baht increased as 4.53 million baht or 59.03%. The administration expense was increased from the allowance of doubtful debt according to the conservative policy of the company.

Financial Position

Total Asset

As of September 30, 2019, the company has the total asset of 1,206.06 million baht, comparing to the total asset of 1,485.09 million baht on December 31, 2018, decreased of 279.03 million baht or 18.79%. The reason was from the reduction of inventory due to the appropriate and effective inventory control. The raw material was considered as a kind of



inventory to be reduced. The company sold the available-for-sale investment and brought it to repay to the short-term debt and trade account payable from the financial institution.

Liabilities

As of September 30, 2019, the company had the total liabilities of 289.09 million baht, decreased as 130.40 million baht or 31.09%, comparing to the total liabilities of 326.27 million baht on December 31, 2018. It was caused from the increment of short-term borrowings from financial institutions in order to buy the raw materials.

Shareholders' Equity

As of September 30, 2019, the company had the shareholders equity of 916.97 million baht, decreased by 148.63 million baht or 13.95%, comparing to the shareholders equity of 1,065.60 million baht on December 31, 2018. The company had the total comprehensive of 9 months in 2018 as amount of 148.63 million baht that impacted on the reduction of shareholders' equity as of September 30, 2019.

Please be informed for acknowledgment

Yours sincerely,

(Ms.Nongnuch Kumchaithep)

Director