

November 14, 2019

Subject : Management Discussion and Analysis for Nine-month and 3<sup>rd</sup> quarter ended November 30, 2019

Attention : President

The Stock Exchange of Thailand

## 1. Operating Performance

### 1.1 Revenues

Consolidated financial statements							(Thousands Baht)	
	Nine-month		Change		3 <sup>rd</sup> Quarter		Change	
	2562	2561	Amount	%	2562	2561	Amount	%
Revenue from sales	1,727,237	1,168,546	558,691	47.81%	659,160	427,881	231,279	54.05%
Other income	30,577	19,531	11,046	56.56%	10,741	6,803	3,938	57.89%
Total Revenue	1,757,814	1,188,077	569,737	47.95%	669,901	434,684	235,217	54.11%

Company total revenue on nine-month and 3<sup>rd</sup> quarter of year 2019 increased 47.95 and 54.11 percent from the same period of last year. Main attribution is increasing in sales quantities from 2<sup>nd</sup> production line. The effect from Thai Baht appreciation and continuously decreasing in selling price from 4<sup>th</sup> quarter of 2018 affect revenue from sales slightly increase in comparison to increasing in sales quantities. Even though selling price in 3<sup>rd</sup> quarter of year 2019 was higher than first half of this year, the price was still lower than 3<sup>rd</sup> quarter of year 2018.

Other income increased 56.56 and 57.89 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)	
	Nine-month		Change		3 <sup>rd</sup> Quarter		Change	
	2562	2561	Amount	%	2562	2561	Amount	%
Cost of goods sold	-1,381,174	-803,120	-578,054	71.98%	-502,388	-286,501	-215,887	75.35%
Selling expenses	-253,295	-161,043	-92,252	57.28%	-98,173	-59,234	-38,939	65.74%
Administrative expenses	-46,274	-62,446	16,172	-25.90%	-17,563	-21,476	3,913	-18.22%
Finance Costs	-19,617	-508	-19,109	3761.61%	-7,141	-336	-6,805	2025.30%
Total	-1,700,360	-1,027,117	-673,243	65.55%	-625,265	-367,547	-257,718	70.12%

Cost of goods sold on nine-month and 3<sup>rd</sup> quarter of 2019 increased 71.98 and 75.35 percent from the same period of last year, due to higher sale volume from 2<sup>nd</sup> production line and increasing in raw material price.

Selling expenses on nine-month and 3<sup>rd</sup> quarter of 2019 increased 57.28 and 65.74 percent from the same period of last year, due to higher sale volume from 2<sup>nd</sup> production line.

Administrative expenses on nine-month and 3<sup>rd</sup> quarter of 2019 decreased 25.90 and 18.22 percent from the same period of last year, due to additional administrative expenses from expanding in 2<sup>nd</sup> production line was done in the end of 3<sup>rd</sup> quarter of last year, lead to decreasing in administrative expenses.

Financial cost on nine-month and 3<sup>rd</sup> quarter of 2019 increased significantly 3,761.61 and 2,025.30 percent from the same period of last year, caused by loan drawdown for 2<sup>nd</sup> production line investment project.

As a result, cost of goods sold and expenses on nine-month and 3<sup>rd</sup> quarter of 2019 increased significantly 65.55 and 70.12 percent from the same period of last year.

### 1.3 Profit

Consolidated financial statements							(Thousands Baht)	
	Nine-month		Change		3 <sup>rd</sup> Quarter		Change	
	2562	2561	Amount	%	2562	2561	Amount	%
Gross profit	346,063	365,426	-19,363	-5.30%	156,772	141,380	15,392	10.89%
Profit before income tax	57,454	160,960	-103,506	-64.31%	44,636	67,137	-22,501	-33.52%
Net profit for period	46,048	146,108	-100,060	-68.48%	36,170	63,182	-27,012	-42.75%

From revenues, cost of goods sold and expenses factors, company profit before income tax of nine-month and 3<sup>rd</sup> quarter 2019 was 57.45 and 44.64 million baht decreased 64.31 and 33.52 percent and net profit of nine-month and 3<sup>rd</sup> quarter ended June 30, 2019 was 46.05 and 36.17 million baht decreased 68.48 and 42.75 percent from the same period of last year.

Sincerely Yours,

(Ms. Orawan Sangwongkit)

Chief Financial Officer