

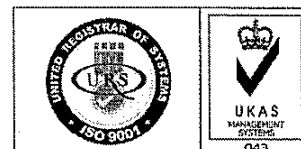


Castle Peak

บริษัท คาสเซอร์พีคโฮลดิ้งส์ จำกัด (มหาชน)

CASTLE PEAK HOLDINGS PUBLIC CO., LTD.

ทะเบียนนิติบุคคลเลขที่ 0107537001056 สำนักงานใหญ่



UKAS is a member of Registrar of Standards (Holdings) Ltd.

**Registration number:** 0107537001056

**Date:** February 26, 2020.

**Subject:** CPH Management Discussion and Analysis on operating results for year 2019 ended December 31, 2019

**To:** President

The Stock Exchange of Thailand

The results of operations of Castle Peak Holdings Public Co., Ltd. (CPH) and its subsidiaries in year 2019 compared to the results for year 2018 are classified by business as follows:

	Year 2019	Year 2018
	Net Gain (loss)	Net Gain (loss)
	THB	THB
Garment Business	(205,942,034.14)	9,741,633.94
Real Estate Development	<u>(17,482,387.84)</u>	<u>(16,472,050.98)</u>
Total	<u>(223,424,421.98)</u>	<u>(6,730,417.04)</u>

**Garment business:**

Total sales in garment business in year 2019 were 1,458,770,440.51 Baht, compared to 1,537,533,390.91 Baht of year 2018. It decreased 78,762,950.40 Baht or 5.12%. This resulted from the appreciation of Thai Baht against the US dollar. The cost of sales in year 2019 was 1,290,947,268.80 Baht, representing 88.50% of total sales. While, the cost of sales in year 2018 was 1,349,555,652.00 Baht, representing 87.77% of total sales. The selling and administrative expenses year 2019 was 149,094,368.87 Baht compared to 160,230,997.35 Baht of year 2018, decreased 11,136,628.48, or 6.95%. As a result, the profit from operations in year 2019 were 35,538,278.37 Baht, while the profit from operations in year 2018 were 33,296,592.77 Baht. It increased 2,241,685.60 Baht or 6.73%. Due to the year 2019, the workers developed more advanced skills which resulted in on time delivery products, reducing air freight from last year 16,370,786.06 baht. Although, the company recorded more provisions for employee benefit from the Labor Protection Act (Issue 7) 2019. In the case of employers terminating employment for employees who have worked for 20 consecutive years or more, they are entitled to compensation from 300 days to 400 days increasing 14,596,334 Baht. Moreover, the company showed loss from impairment of assets in year 2019 amount 205,915,000.00. As a result, there was the net loss amount 205,942,034.14 in year 2019. Compared to year 2018, there was the net profit amount 9,741,633.94 Baht. The net loss increased 215,683,668.08 Baht.

**Property development business:**

Total sales in property development business in year 2019 were 93,528,040.00 Baht, compared to 52,616,668.85 Baht of sales in year 2018. It increased 40,911,371.15 Baht or 77.75% from the increasing number of houses sold. This was mainly stimulated by the government policy reducing the ownership transfer fee from 2% to 0.01% and reducing the mortgage fee from 1% to 0.01%. The cost of sales in year 2019 was 70,685,705.85 Baht, representing 75.58% of total sales. While, the cost of sales in year 2018 was 36,610,703.76 Baht, representing 69.58% of total sales. The selling and administrative expenses year 2019 was 38,240,936.15 Baht compared to 34,469,960.20 Baht of year 2018. It increased 3,770,975.95, or 10.94%. These results from low price of houses sold from late 2018 - early 2019 in order to promote the new project, the increasing in construction materials and labor costs. Also, the repairing expenses and operating expenses of the subsidiary which operates the construction. As a result, in year 2019, there was the net loss amount 17,482,387.84 Baht. Compared to year 2018, there was the net loss amount 16,472,050.98 Baht. The net loss increased 1,010,336.86 Baht.

Best Regards,



Mr. Boonchoo Pongchaloem

Chairman