

(Translation)

13<sup>rd</sup> May 2020

Subject: Management Discussion and Analysis (MD&A) for the 1st quarter of year 2020

To: Managing Director of the Stock Exchange of Thailand

Union Pioneer Public Company Limited would like to clarify the net profit for the 1<sup>st</sup> quarter of the year ending on 31st March 2020. The Company had revenue from sales at 158 million baht increasing from the same period of previous year by 15.80 million baht and the net profit from operation at 7.92 million baht, increasing from the same period of the previous year by 5.27 million Baht. The increase in demand for products led to increase the sales and profit.

The Company's profitability in the 1st quarter of 2020 increased from the same period of previous year, the return on total assets (ROA) increased from 0.57% to 1.68% and the return on equity (ROE) increased from 0.72% to 2.27% and earnings per share (EPS) increased from 0.35 Baht/share to 1.06 Baht/share.

The efficiency of using the total assets to profit from the turnover of total assets in this quarter changed little from the 1st quarter of 2019, from 0.31 times to 0.34 times. Liquidity ratio decreased from last year was from 6.27 times to 5.52 times because the Company has current liability increasing from the same period of last year. Receivable Turnover changed little from the last year, from 1.10 times to 1.21 times due to higher sales. The collection period decreased from 82 days to 75 days. For a debtor with debt problem, the Company has set aside allowance for doubtful accounts. Inventory turnover increased from 0.74 times to 0.96, and the inventory holding period was 94 days.

Cash flow received from operating activities increased from the same period of last year due to higher operating profits. Cash flows from investing activities resulted from advance payment for buying the machines for production and from investing in government bonds. Cash used in financing activities was the cash payment for the lease liability as Thai Financial Reporting Standards No. 16.

From the following reasons concluding that the operating results of the Company in the 1st quarter of year 2020 increased comparing to last year.

For your consideration to the members of The Stock Exchange of Thailand and those interested to be informed accordingly would be appreciated.

Yours faithfully

- Signature -

(Mr. Komon Iamwatcharin)

Managing director