



(Translation)

14 May 2020

Subject: Management Discussion and Analysis (MD&A) of Q1/2020

To: Director and manager,

The Stock Exchange of Thailand

Union Textile Industries Public Company Limited (“the Company”) would like to report the operating results and financial position for the first quarter ended 31th March 2020. There is a difference of more than 20% compared to the same period of the previous year. The details are as follows:

1. Overall operating results

	Q1 ended 31 March		(Unit : 1,000 Baht)
	2020	2019	% changes Increase (decrease)
Sales	123,224	169,361	(27.24)
Total revenues	135,209	181,787	(25.62)
Cost of sales	114,031	166,753	(31.62)
Selling and administrative expenses	17,773	15,725	13.02
Loss from fair value measurement of derivatives	7,197	-	-
Net profit (loss)	(3,672)	(261)	(1,306.90)

- Revenue from sales and services decreased by 27.24%, this is due to the economic slowdown of both Europe and America.
- Total cost of goods sold decreased by 25.62%, which is in the same direction as the decrease in revenue
- Selling expenses and administration costs increased by 13.02%, mainly due to the employees’ benefits and also the cost of factory inspection.
- The Company recorded a loss from Derivative Measurement (contract for forward selling and buying of foreign currencies) in accordance with the standard financial report no. 9 financial reporting standards related to financial instruments, amount 7.2 million Bahts.



2. Financial position

(Unit : 1,000 Bath)

	As of 31 March 2020	As of 31 December 2019	Increased (decreased)
Total assets	1,279,252	1,163,366	115,886
Total liabilities	183,590	111,371	72,219
Total shareholders' equity	1,095,662	1,051,995	43,667

- Total assets increased by 115.89 million Bahts, mainly from categorization of Other Long Term Investments into Other Non-Current Financial Assets, according to the financial reporting standards related to financial instruments. The fair value measurement of investment in Equity Securities increased by 112.54 million Bahts.
- Liabilities increased by 72.22 million Bahts, mainly due to the increase in Derivative Liabilities by 7.39 million Bahts, and the Deferred Income Tax liabilities, which has increased by 65.05 million Bahts.
- Shareholders' equity increased by 43.67 million Bahts due to:
 - Accumulated Unappropriated Retained Earnings, this has decreased by 46.36 million Bahts, due to the impact of financial reporting standards related to financial instruments, amount 42.69 million Bahts, and from the operating loss from the first quarter, amount 3.67 million Bahts
 - Other components of the shareholders increased by 90.03 million Bahts.

As of 31st March 2020 the Company has a Current Ratio of 11.45, this is an increase compared to the same period of the previous year, which was 8.76.

Please be informed accordingly.

Yours sincerely

- Signature -

Mrs. Pimporn Chotirattanakul

Managing Director