

May 15, 2020

Subject: Managing Discussion and Analysis for Q1/2020

To: **Managing Director**

The Stock Exchange of Thailand

The company would like to report to operation results for the company and subsidiary for 1st quarter of 2020 ended 31 March 2020. The company net profit of Baht 13.94 million when compared with the same period of year 2019 posted net profit of Baht 34.66 million due to the following reasons.

1. The company and its subsidiaries had revenue from sales and services amounted of Baht 454.09 million compared with the same period of year 2019 revenues from sales and services amounted of Baht 552.92 million. The revenue from sales and services decreased in the amount of Baht 98.83 million or 17.87 percent income decreased due

1.1 The company has revenue from sales and services from the leather business for 1st quarter of 2020 in the amount of Baht 363.70 million, net profit of Baht 20.81 million, decreased compared with the same period of year 2019, the company has revenue from sales and services of Baht 405.62 million, a net profit of Baht 27.20 million due to the revenue from sale of leather products for car seats decreased from the number of production cars according to model received.

1.2 The company's income from energy business in Q1/2020 was Baht 82.41 million, increased from Q1/2019 the company's income from energy business was Baht 84.87 million.

1.3 The company's income from design and distribution of boat and minibus made by aluminum for 1<sup>st</sup> quarter of 2019 in the amount of 54.18 million while the 1<sup>st</sup> quarter of 2020 still has no revenue due to being in production.

2. The company's cost of sales and services in the amount of Baht 344.59 million or 75.89 percent of its revenue from sales and services. The percentage of cost of sales and service income decreased compared to the same quarter of last year which presented in the amount of Baht 440.20 million or 79.61 percent. Due to cost of sales and services decreased as raw material prices decreased.

3. The company's selling and administrative expenses for this quarter in the amount of Baht 67.50 million or 14.87 percent of its revenue from sales and services. Increased compared to same period which selling and administrative expenses in the amount of Baht 58.77 million or 10.63 percent. As the boat and minibus business, there is selling expenses due to the promotion of sales programs.

4. The financial position of the Company and its subsidiaries as at March 31, 2020 total assets were Baht 3,770.57 million, divided into total current assets of Baht 981.31 million, non-current assets of Baht 2,789.26 million, total liabilities of Baht 2,192.31 million, divided in to total current liabilities of Baht 1,442.20 million and non-current liabilities of Baht 750.11 million and total shareholders' equity totaled Baht 1,578.26 million. As at December 31, 2019, the Company and its subsidiaries had total assets were Baht 3,764.53 million, divided into total current assets of Baht 982.82 million, non – current assets of Baht 2,781.72 million baht, total liabilities of 2,215.56 million baht, divided into total current liabilities of 1,466.44 million baht and non-current liabilities of 749.12 million baht and total shareholders' equity was 1,548.97 million baht. The current ratio as at March 31, 2020 is 0.68 times. While at December 31, 2019, the rate was 0.67 times. Non-current assets of land Property and equipment as at March 31, 2020 were Baht 2,592.37 million, compared with Baht 2,586.57 million as at December 31, 2019.

Please be informed accordingly.

Your Sincerely,

**(Mr. Weerapon Chaiteerath)**

Managing Director