

August 14, 2020

Subject: **Managing Discussion and Analysis for Q2/2020**

To: **Managing Director**

The Stock Exchange of Thailand

The company would like to report to operating results of the company and subsidiary for 2nd quarter of 2020 with a net profit of Baht 15.38 million when compared with the same period of year 2019 with a net profit of Baht 34.66 million due to the following reasons.

1. The company and its subsidiaries had revenue from sales and services shown in the consolidated financial statements for the 2nd quarter of 2020 amounted of Baht 238.33 million, a decrease compared to the same period of year 2019, in which the company and its subsidiaries had revenues from sales and services amounted of Baht 486.93 million, a decrease of Baht 248.60 million or 51.05 percent due to

1.1 The company had revenue from sales and services from the leather business for 2nd quarter of 2020 in the amount of Baht 139.47 million, net profit of Baht 12.41 million, a decreased compared to the 2nd quarter of 2019, the company had revenue from sales and services of Baht 374.86 million, net profit of Baht 46.15 million, mainly due to the situation of the COVID-19 epidemic. This resulted in the economic slowdown, including the decrease in the demand for leather in the world market. Customers delay orders.

1.2 The company had revenue from the energy business group, which was generated from commercial electricity sales in the 2nd quarter of 2020 totaling of Baht 89.92 million, an increase from the 2nd quarter of 2019 in which the company had revenue from the energy business group of Baht 85.19 million.

1.3 The company had revenue from design and distribution of boat and minibus made by aluminum for 2nd quarter of 2020 in the amount of 1.30 million decreased from 2nd quarter of 2019 due to the production process.

2. The company and its subsidiaries had cost of sales and services in the 2nd quarter of 2020 totaling of Baht 162.87 million or 68.33 percent of its revenue from sales and services. The percentage of cost of sales and service income decreased when compared with the same period of the previous year the cost of sales and services is in the amount of Baht 358.72 million or 73.66 percent. The cost of sales and services decreased as the energy business continued to improve work processes and manage the use of fuel for power generation. Resulting in long-term efficiency in generating and selling electricity.

3. The company had selling and administrative expenses in the 2nd quarter of 2020 in the amount of Baht 54.44 million, decreased when compared to the 2nd quarter of 2019, which the company had selling and administrative expenses of Baht 64.96 million due to the decrease in the company's income.

4. Financial status of the company and its subsidiaries as of 30 June 2020 and 31 December 2019

(unit: Million Baht)	Consolidated Financial Statement	
	30-Jun-20	31-Dec-19
Total Current Assets	814.11	982.82
Total Non-Current Assets	2,863.29	2,855.11
Total Assets	3,677.40	3,837.93
Total Current Liabilities	1,282.38	1,466.03
Total Non-Current Liabilities	721.24	740.54
Total Liabilities	2,003.62	2,206.57
Total Shareholders' Equity	1,673.78	1,631.36

Total assets as of June30,2020, amounting to Baht 3,677.40 million, comprising current assets of Baht 814.11 million and non-current assets of Baht 2,863.29 million. Total assets decreased from the previous year in the amount of Baht 160.53 million due to a decrease in trade receivables due to Sales of the business declined.

Total liabilities as of June 30,2020 in the amount of Baht 2,003.62 million, comprising current liabilities of Baht 1,282.38 million and non-current liabilities of Baht 721.24 million, total liabilities decreased from the previous year by Baht 202.75 million due to the company repaid short-term loan to financial institutions. And pay back some of the debentures for the shares due in May 2020.

Shareholders' equity as of June 30,2020 and December 31,2019 amount to Baht 1,673.78 million and Baht 1,631.36 million, respectively.

The company's financial ratios as of June 30,2020 and December 31,2019 consisted of liquidity ratios of 0.63 times and 0.67 times, debt to equity ratio of 1.19 times and 1.35 times, respectively.

Please be informed accordingly.

Your Sincerely,

(Mr. Weerapon Chaiteerath)

Managing Director