



Translation

14th August 2020

Subject: Management Discussion and Analysis (MD&A) of Q2/2020, ended 30th June 2020

To: Director and manager,

For the attention of The Directors and Managers of Stock Exchange of Thailand

Union Textile Industries Public Company Limited (“the Company”) would like to report the operating results and financial position for the second quarter ended 30th June 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

(Unit : 1,000 Baht)

	Q2 ended 2020	30 th June 2019	% changes Increase (decrease)
Sales	143,788	134,591	6.83
Total revenues	165,612	333,418	(50.33)
Cost of sales	132,505	152,878	(13.33)
Selling and administrative expenses	15,131	18,982	(20.29)
Net profit (loss)	10,477	126,984	(91.75)

- Sales revenue increased by 6.83% mostly from orders from overseas customers, due to the Covid-19 pandemic during Q2 which prevented overseas competitors from shipping out their fabrics.
- Total revenue decreased by 50.33% as Q2, 2019 revenue includes gain on sales of some investments in associate and is confirmed by the gain on fair value measurement from changes in status of investyment, amount 10.63 million baht and 173.60 respectively. In Q2, 2020 there was no sales of investments in associates.
- Cost of sales decreased by 13.33 % due to falling raw material prices and the employee benefit provision is also reduced from Q2, 2019.
- Selling and administrative expenses decreased by 20.29% due to the reduced provision for employee benefit compared to Q2, 2019.



2. Financial Position

(Unit : 1,000 Baht)

Description	As of 30 th June 2020	As of 31 st December 2019	Increased (decreased)
Total assets	1,281,714	1,163,366	118,348
Total liabilities	173,975	111,371	62,604
Total shareholders' equity	1,107,739	1,051,995	55,744

- Total assets increased by 118.35 million Bahts, mainly from the fair value measurement of investment in Equity Securities increased by 114.54 million Baht. In Q2, 2019 this was categorized as other long-term investments but in Q2, 2020 this is categorized as Other Non-current Financial Assets in accordance with the Financial Reporting Standard TFRS 9, Financial Instruments.
- Liabilities increased by 62.60 million Bahts, from Deferred Tax liabilities which has increased by 65.55 million Bahts.
- Shareholders' equity increased by 55.74 million Bahts, due to other components of Shareholders' equity increased by 91.63 million Bahts, and Unappropriated Retained Earnings decreased by 35.89 million Bahts..
- As of 30th June 2020 the Company has a Current Ratio of 15.43 times, compared to the same period of the previous year, which was 10.01 times, the current ratio is increased due to the decrease in liabilities.

Please be informed accordingly.

Yours sincerely,

-Signature -

Mrs. Pimporn Chotirattanakul

Managing Director