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August 6, 2019

Subject: Submission of Management discussion and analysis of Thai Wah Public Company Limited for the three months and six months period ended June 30, 2019

To: President
The Stock Exchange of Thailand

Enclosures: Management discussion and analysis for the three months and six months period ended June 30, 2019

Thai Wah Public Company Limited ("TWPC") submits herewith TWPC's Management discussion and analysis for the three months and six months period ended June 30, 2019.

For public announcement and distribution.

Yours sincerely,

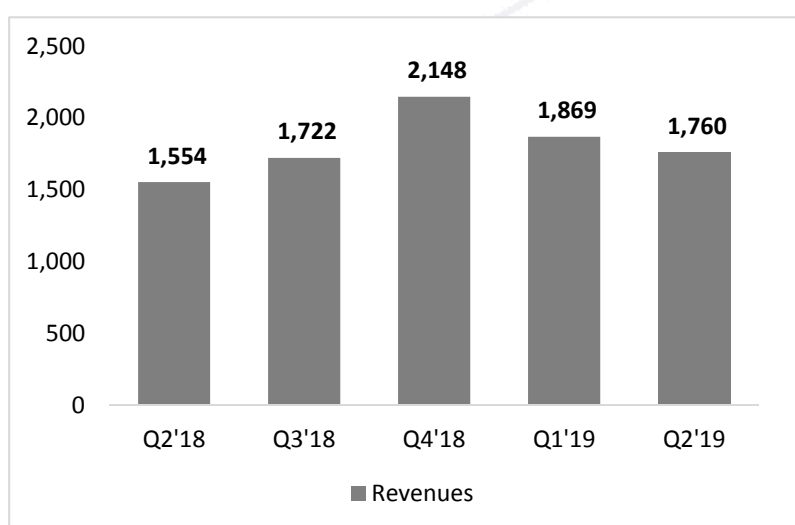
(Mrs. Orn-a-nong Witchucharn)
Group Chief Financial Officer

THAI WAH PCL

Management Discussion and Analysis

For the three and six months period ended June 30, 2019

Sale revenues breakdown by quarter



Operating Results for Q2/2019

For Q2/2019, the group's sale was THB 1,760 million, which increased by THB 206 million or 13% if compared to last year. The total sales comprising the revenue from the starch business of THB 869 million or 49%; revenue from the high value- added products business of THB 529 million or 30%; and revenue from the food business of THB 363 million or 21%.

Revenue from sales of THB 3,629 million in 1H/2019 increased of THB 252 million or 7% YoY, comprising the revenue from the starch business of THB 1,785 million or 49%; revenue from the high value- added products business of THB 1,130 million or 31%; and revenue from the food business of THB 714 million or 20%.

The Company and its subsidiary recorded a gross profit margin of 17%, which is similar to same period of the year 2018. The net profit margin was 2%, which is less than the net profit margin of 3% recorded in 1H/2018. As result of an additional provision for long-term employee

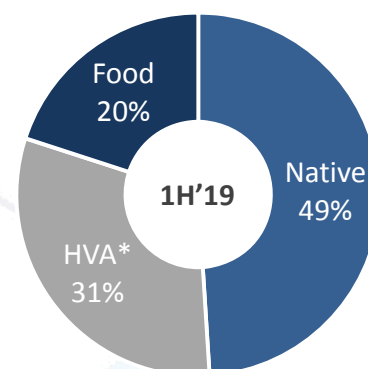
benefits about THB 53 million*, the Company and its subsidiaries recognized past service cost as expense in the income statement of the period in which the law has been effective, which was the second quarter of 2019. The provision for long-term employee benefits is effect to cost of sale of THB 31 million, and selling and administrative expense of THB 22 million. Moreover, there is foreign exchange loss of THB 6 million that most of them is unrealized, which the Company reduced its currency risk by hedging with forward exchange contract, while there is foreign exchange gain of THB 4 million in the previous year. Furthermore, there is gains

from reclassification of investment of THB 10 million in Q2/2018.

The operating results are shown according to each business as follows:

	2Q'18	2Q'19	YoY	1Q'19	QoQ
Sales	1,554	1,760	13%	1,869	(6%)
COGS	1,302	1,512	16%	1,487	2%
GP	252	248	(2%)	382	(35%)
SG&A	229	281	22%	265	6%
Other income	42	6	(86%)	27	(78%)
EBIT	65	(26)	(142%)	144	(119%)
Finance cost	3	14	67%	5	180%
EBT	62	(41)	(166%)	139	(129%)
Tax	10	(1)	(110%)	34	(102%)
Net Profit	52	(39)	(175%)	105	(137%)
EPS	0.05	(0.04)	(180%)	0.10	(140%)
FX: USD/THB	31.92	31.59	(1%)	31.61	-
GPM	16%	14%	(2%)	20%	(6%)
%SG&A/Sales	15%	16%	1%	14%	2%
NPM	3%	(2%)	(5%)	6%	(8%)

Sales Breakdown by Business



*HVA products – Glucose, Coarse flour, Pearl, Modified starch

Revenue from Tapioca Starch Business

In Q2/2019, the native tapioca starch business recorded total sales of THB 868 million, an increase of 64% from THB 527 million in the previous year, while the high value-added (HVA) products business recorded sales of THB 529 million, a decrease of 22% from THB 675 million in the previous year. Sales of tapioca starch increased mainly due to the consolidation of revenue from the new factory in Maesot since the middle of the Q1/2019

Although the sales volume of the Company increased from both Thailand and China by 43% and 31% respectively, but the average selling price of native tapioca starch and high value-added starch in the Q2/2019 decreased by 12%

and 9% respectively. Aligning with the price of cassava root due to a shortage of fresh cassava roots in Thailand began to recover. While high value-added (HVA) sales decreased due to high competition.

Noted that Q2 and Q3 was normal low season as it is out of harvesting season.

In 1H/2019, the tapioca starch business recorded total sales of THB 1,785 million, an increase of 28% from THB 1,394 million in the previous year, while the high value-added (HVA) products business recorded sales of THB 1,130 million, a decrease of 11% from THB 1,268 million, mostly pressured by the challenge in overall starch business as explained above.

Revenue from Food Business

In Q2/2019, the Company recorded total sales of the food business of THB 363 million, an increase of 4% from THB 347 million reflected TFRS 15 recorded in the previous year with strong growth in key channels and categories. Domestic sales for the food business, contributing to 91% of the total sales of the food business, while export sales accounted for 9% of the total food business revenue.

In 1H/2019, the Food business recorded total sales of THB 714 million, an increase of 2% from THB 703 million recorded in the previous year.

Overall, domestic sales of vermicelli products have maintained from the previous year and

Gross Profit

In Q2/2019, gross profit margin of the group was 14%, which decreased 2% from the same period last year due to an additional provision for long-term employee benefits*.

Noted that Q2 and Q3 was normal low season as it is out of harvesting season.

In 1H/2019, gross profit margin of the group was 17%, similar to same period last year.

Sales and Administrative Expenses

In Q2/2019, the selling and administrative expenses increased by 22% or THB 52 million to THB 281 million. The major reason were the increase of shipping and transportation expense

domestic rice noodle products grew by 22% if compared to previous year from adding a new range of vermicelli noodle products, which targeted towards delivering sustainable category growth by offering high quality and safe consumer products, including a distribution expansion and good execution in sales & marketing strategy.

Sales of rice noodle products grew by 21% if compared to previous year, which mainly driven from volume of European Union.

In addition, the Company's sales are estimated to perform better than the industry growth in this year from an increase in volume of existing products and new product launch through all key distribution channels.

Although the average selling price of starch product was decreased, the production of cassava roots of the year 2018/19 increased, resulted in the price of cassava roots has declined continuously since the end of Q3/2018. However, the off-season drought situation in 2019 may cause damages to overall agricultural products and risk of water shortages in some areas. Hence, the Company has prepared and closely followed up on this issue.

of THB 22 million according to the increase of sale volume, an additional provision for long-term employee benefits* amounting to THB 22

million, and expand a team to support the growing business.

In 1H/2019, the selling and administrative expenses increased by 16% or THB 77 million to THB 546 million, mainly resulted from the increase of shipping and transportation expense

of THB 31 million according to the increase in sales volume, an additional provision for long-term employee benefits* amounting to THB 22 million, allowance for doubtful debts of THB 9 million, and expand a team to support the growing business.

Net Profit Attributable to Shareholders

In Q2/2019, the net loss of the Company and its subsidiaries was THB 39 million, a decrease of THB 86 million, or 183%, compared to that of Q2/2018. The decrease was mainly due to an additional provision for long-term employee benefits THB 53 million and increased financial costs by THB 12 million. Moreover, there is foreign exchange loss of THB 14 million which included unrealized foreign exchange loss of THB 13 million of which the Company reduced its currency risk by hedging with forward exchange contract, while there was foreign

exchange gain of THB 6 million in the previous year. Furthermore, there was gains from reclassification of investment about THB 10 million in Q2/2018.

In 1H/2019, the net profit of the Company and its subsidiaries was THB 52 million, a decrease of THB 50 million, or 49%, mostly pressured by the challenge as explained.

However, cassava root prices is forecast to maintain during the whole year 2019.

Cash Flow analysis

In 1H/2019, net cash used for operating activities were THB 114 million, due to the additional provision for long-term employee benefits of THB 53 million, which is a non-cash

expense. In addition, the Company is able to manage cash more effectively when compared to the first half of the previous year.

* Note : an additional provision for long-term employee benefits about THB 53 million is one-time and non-cash expense. It is the effect from amendment to the law relating to the legal severance pay rate. The Company and its

subsidiaries recognized past service cost as expense in the income statement of the period in which the law has been effective, which was the second quarter of 2019.