



Management Discussion and Analysis
For Q2/2020

Financial Position

Unit : Million Baht	2020 As of Mar 31, 2020	2019 As of Mar 31, 2019
Current Asset	986.36	1,160.65
Total Assets	2,136.33	2,355.54
Current Liabilities	492.51	625.61
Total Liabilities	560.37	697.26
Total Equity	1,575.96	1,658.28

Ratio	2020 (Oct 1, 2019 – Mar 31, 2020)	2019 (Oct 1, 2018 – Mar 31, 2019)
Gross Profit Ratio	16.14	18.67
ROE	5.56	7.91
Current Ratio	2.00	1.86
Debt/Equity Ratio	0.36	0.42

Gross Profit Ratio in 1st half of 2020 decreased 2.53% from the same period of last year as a result from the increase in cost of goods sold.

Return on Equity (ROE) of Q2/2020 decreased 2.35% compare to last year due to the lower in profit.

Current Ratio of Q2/2020 increased 0.14 times. Such are the effects from lower in short term loan and no litigation provision.

Debt/Equity Ratio of Q2/2020 decreased 0.06 times. This derived from the repayment of loan to commercial banks.



Performance

Unit: Million Baht	Q2/2020 (Jan 1 – Mar 31, 2020)	% on sale	Q2/2019 (Jan 1 – Mar 31, 2019)	% on sale
Revenue from sales	649.32	100.00%	804.67	100.00%
Other income	5.28	0.81%	5.16	0.64%
Cost of goods sold	-537.87	-82.84%	- 651.65	-80.98%
Selling & admin expenses	-62.06	-9.56%	- 87.43	-10.87%
Finance cost	-0.03	-0.005%	- 0.36	-0.04%
Income tax	-2.33	-0.36%	- 3.35	-0.42%
Net profit	52.31	8.06%	67.04	8.33%

Sales revenue in Q2/2020 was 649.32 million Baht, decreased 155.35 million Baht or 19.30% compared to same period of last year. There was the effect from the global economic slowdown and the adjustment in new standard of accounting that the expense of customer promotion must be deducted from revenue. Therefore, total revenue decreased 1.78 million Baht.

The net profit for Q2/2020 was 52.31 million Baht, decreased 14.73 million Baht. It is apparently result from lowered in sales.

The impact of the slowing industry, Federation of Thai Industries reported that in the first two months of 2020, the automotive production dropped 18% YoY, the domestic sales fell 20% whilst the export market declined at 17% YoY as well. The worry toward the spread of COVID-19 virus shall tighten the economic slowdown in most countries of the world.

In the next quarter, the effects of the pandemic are expected to increase. Domestic purchasing power will definitely head down. The company shall closely monitor and adjust its strategy to cope with changing situations.