



บริษัท ระยองไวร์ อินดัสตรีส์ จำกัด (มหาชน)
RAYONG WIRE INDUSTRIES PUBLIC COMPANY LIMITED
ทะเบียนเลขที่ 0107552000111



August 13, 2020

Reference no. RWI/RY/009/2563

Subject : Management's Discussion and Analysis of Business Operations of the Second Quarter of 2020

Dear The Director and Manager of the Stock Exchange of Thailand,

Rayong Wire Industries Plc. as (COMPANY) would like to describe and analyze the financial position and business operation of the 2nd quarter of 2019 that has been audited from the external auditor, in order to disclose the information to investors and public.

The Overview of Business Performance

In the second quarter of 2020, the company had net profit of 91.44 million baht, increased by 150.89 million baht or 253.82 % comparing to the net loss of 59.45 million baht in the 2nd quarter of previous year. The details are as follows:

Financial Analysis

Revenues

The company had the total revenue in Q2/2020 as 243.17 million baht which is increased as 44.21 million baht or 22.22% compared to the total income of Q2/2019 amounted of 198.96 million baht. Due to in Quarter 2/2020 ; has revenue from measurement on financial assets which adjusting on fair value of trading securities thus decline in sales revenue 62.38 million baht due to price competition and sale volume as well as baht appreciation which leads to slow down in export. In addition, most manufacturer focusing more on domestic market



Cost of Goods Sold

The company had the cost of goods sold in Q2/2020 as 127.36 million baht, decreased as 66.47 million baht, comparing to the cost of goods sold in Q2/2019 as 193.84 million baht or decreased by 34.29%. It was conformed to the decrement of sales quantity. Since the company has strictly controlled and managed the inventories very well.

Expense

Sales and Administration Cost

In Q2/2020, the company had the selling cost as 5.37 million baht, decreased by 3.53 million baht or 39.65 % compared to Q2/2019 which was 8.90 million baht because the company sold less quantity both in domestic and export market resulted to the reduction of transportation expense.

In Q2/2020, the company had administration cost as 7.91 million baht, decreased by 9.94 million baht or 54.41% comparing to the previous year as 17.36 million baht. In 2020, the company had less administration cost because of the reduction of the allowance of doubtful debt. The company could strictly manage the debt collection from customers. Also, the company had adjusted the increment benefit for the employees in the second quarter of 2019 according to the Labor Protection Act (Issue No.7) as amounting of 3.59 million baht.

Financial Position

Total Asset

As of June 30, 2020, the company has the total asset of 1,078.22 million baht as increased by 66.64 million baht or 6.59% when compared to December 31, 2019 as total assets of 1,011.58 million baht due to more demand on trading securities which leads to increase in fair value as amounting of 38.12 million baht thus better situation in term of investment market. The company had signed to renew the land rental contract as amounting of 129.72 million baht effective from June 2020 onward. The period of renew the contract is twenty years validity according to the accounting standard issue no.16. Moreover, the company has precisely and strictly managed the raw material inventory control due to the fluctuation of the raw material cost, resulted to the reduction of raw material inventory down to 54.53 million baht.



Liabilities

As of June 30, 2020, the company had total liabilities of 280.58 million baht, increased to 51.06 million baht or 22.25%, comparing to the total liabilities of 229.52 million baht on December 31, 2019. It was caused from the increment of debt regarding to the land rental renew contract as amounting of 115.64 million baht, dated on June 15, 2020 for the rental period of 20 year according to the Thai standard of financial statement. Since January 1, 2020, the Thai standard of financial statement has mentioned to realize the whole amount of rental fee in the contract period must be shown as a debt in the company's financial statement. In addition, the company repaid the raw material debt that affected to the reduction of short term debt as amounting of 79.76 million baht.

Shareholders' Equity

As of June 30, 2020, the company had the shareholders' equity of 797.64 million baht, increased to 15.57 million baht or 1.99%, comparing to the shareholders' equity of 782.06 million baht on December 31, 2019. The company had total comprehensive income of six months period in 2020 as 32.22 million baht and reserve ordinary shares (repurchase) in amounting of 14.73 million baht.

Please be informed for acknowledgment.

Yours sincerely

(Ms.Nongnuch Kumchaithep)

Director