

November 11, 2020

Reference no. RWI/RY/011/2563

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

To : The Manager and President
The Stock Exchange of Thailand

Rayong Wire Industries Plc. as (THE COMPANY) would like to describe and analyze the financial position and business operation of the 3rd quarter of 2020 that has been audited from the external auditor, in order to disclose the information to investors and public.

The Overview of Business Operation

In the 3rd quarter of 2020, the company had net loss of 2.77 million baht, decreased by 98.53 million baht or 97.26 % comparing to the net loss of 101.30 million baht in the 3rd quarter of previous year. The details are as follows:

Financial Analysis

Revenues

The company had the total revenues as 170.34 million baht which is increased as 32.59 million baht, compared to the total income of last year amounted of 137.74 million baht or increased as 23.66% thus revenue from sale has increased by 19.93 Million Baht and other incomes from selling scrap materials of 12.66 million baht.

Cost of Goods Sold

The company had the cost of goods sold as 146.14 million baht, increased as 9.54 million baht, comparing to the cost of goods sold in 2019 which is 136.60 million baht or increased by 6.98 percent which in accordance to proportion of increased in sale volume.

Expense

Sales and Administration

In the 3rd quarter of 2020, the company had the selling cost of 5.87 million baht, decreased by 0.87 million baht or 12.93 % compared to the same period of 2019 which is 6.74 million baht. The decrement of sales quantity impacted on the decrement of transportation cost.

As for the administration cost of 3rd quarter of 2020, it was 8.62 million baht decreased as 3.58 million baht or 29.32% when compared to same period of year 2019 as of 12.19 million baht. In addition, decrease in administration cost due to quarter 3-2020 has received from debtor (allowance for doubtful account).

Financial Position

Total Asset

As of September 30, 2020, the company has the total asset of 1,140.56 million baht, comparing to the total asset of 1,011.58 million baht on December 31, 2019, increased of 128.98 million baht or 12.75% according to the demand of trade securities has increase in fair values as results in better situation of capital market mechanism. More trade receivable 32.30 million baht (more sale volume), decline in inventory 50.17 million baht from management in stock control strictly in order to reduce fluctuation from price of steel wire rod thus more right of use assets 169.97 million baht as calculated from increment of use right of land lease from Industrial Estate Authority of Thailand (IEAT).

Liabilities

As of September 30, 2020, the company had the total liabilities of 361.30 million baht, increased as 131.78 million baht or 57.42 %, comparing to the total liabilities of 229.52 million baht on December 31, 2019 due to increase in liabilities under renew contract of land lease (factory) dated June 15, 2020 at rental period of 20 years in accordance to Thailand Financial Report Standard No.16 effective from January 1, 2020, stipulates such lease are required to recognize all rental items over term of lease (liability) as in company's financial statement.

Shareholders' Equity

As of September 30, 2020, the company had the shareholders equity of 779.26 million baht, decreased by 2.81 million baht or 0.36%, comparing to the shareholders equity of 782.06 million baht on December 31, 2019. The company had the total comprehensive of 9 months in 2019 as mount of 29.45 million baht and reserve for ordinary shares repurchase of 30.34 million baht.

Please be informed for acknowledgment.

Yours sincerely,



(Ms.Nongnuch Kumchaithep)

Director