



(Translation)

August 10, 2018

Subject: Management Discussion and Analysis (MD&A) of Q2/2018

To: Director and manager
The Stock Exchange of Thailand

Union Textile Industries Public Company Limited (“the Company”) would like to clarify on the operating results and financial position for the second quarter of 2018 ended 30 June 2018 compared to the same period of the previous year as follows;

1. Overall operating results

	Q 2 ended 30 June		(Unit : 1,000 Baht)
	2018	2017	% changes Increase (decrease)
Sales	179,969	182,629	(1.46)
Total revenues	195,327	196,813	(0.76)
Cost of sales	169,155	171,240	(1.22)
Selling and administrative expenses	19,639	20,475	(4.08)
Net profit (loss)	12,417	11,769	5.51

- Sales and service income down 1.46%, due to no yarn order from a customer was made.
- Cost of sales down 1.22%, as per sales decreased.
- Selling and administrative expenses down 4.08%, main reason came from freight expenses, employee benefits, and depreciation decreased.
- Net profit up 5.51%, resulting from cost and expenses control.



2. Financial position

(Unit : 1,000 Bath)

	<u>As of 30 June 2018</u>	<u>as of 31 December 2017</u>	<u>increased (decreased)</u>
Total assets	1,023,247	1,010,206	13,041
Total liabilities	90,764	97,277	(6,513)
Total shareholders' equity	932,483	912,929	19,554

- Total assets increased by 13.04 million Baht, came from cash and cash equivalents increased.
- Liabilities down 6.51 million Baht, came from provision for long-term employee benefits decreased.
- Shareholders' equity up 19.55 million Baht, came from unappropriated retained.

As of 30 June 2018, the Company had current ratio 7.76:1 times and Debt to Equity ratio equal to 0.10:1 times, compared to those of the same period of the previous year which were 3.68:1 and 0.19:1 times, respectively, indicating that the Company still stable financial status and capable to pay trade liabilities.

Please be informed accordingly.

Yours sincerely

-Signature-

Mrs. Pimporn Chotirattanakul

Managing Director