

(Translation)

August 14, 2019

Subject: Management Discussion and Analysis (MD&A) of Q2/2019, changed more than 20% compared to the same period of the previous year.

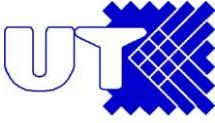
To: Director and manager,
The Stock Exchange of Thailand

Union Textile Industries Public Company Limited (“the Company”) would like to clarify on the operating results and financial position for the second quarter ended 30 June 2019, changed more than 20% compared to the same period of the previous year, clarify as follows;

1. Overall operating results

	(Unit : 1,000 Baht)		
	Q 2 ended 30 June		% changes
	2019	2018	Increase (decrease)
Sales	134,591	179,969	(25.21)
Total revenues	333,590	195,327	70.79
Cost of sales	152,878	172,470	(11.36)
Selling and administrative expenses	18,982	16,324	16.28
Net profit (loss)	126,984	12,417	922.66

- Sales and service income decreased as a result of export customers decrease orders and the Thai baht strong.
- Total revenues increased came from profit of selling part of investments in associated company as disclosed in the financial statement in which the equity method is applied as follows;
 - Gain on sales of investment in associate 10.63 million Baht.
 - Gain on reclassification of other comprehensive income of associate 0.36 million Baht.
 - Gain on fair value measurement from changes in status of investment 173.60 million Baht.
- Cost of sales decreased as per sales decreased.



- Selling and administrative expenses increased as a result of filled up the provision for long-term employee, in accordance with the Labor Protection Act (Issue 7) B.E. 2562, about 3 million Baht.
- Net profit increased as a result of selling part of investment in associated company which is not the profit from normal business operation.

2. Financial position

(Unit : 1,000 Bath)

	<u>As of 30 June 2019</u>	<u>As of 31 December 2018</u>	<u>Increased (decreased)</u>
Total assets	1,211,560	1,082,750	128,810
Total liabilities	127,105	124,490	2,615
Total shareholders' equity	1,084,455	958,260	126,195

- Total assets increased as a result of, during this period, having changes in status of the investment from investment in associated company to other long-term investment, by measuring the fair value of the remaining investments from the sales.
- Liabilities increased came from provision for long-term employee benefits and deferred tax liabilities increased while trade and other payables decreased.
- Shareholders' equity increased came from unappropriated retained.

As of 30 June 2019, the Company had current ratio 10:1 times and Debt to Equity ratio equal to 0.12:1 times, about the same as those of the same period of the previous year which were 7.76:1 and 0.10:1 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