Ref. TPBI-EXC 022/2019

13 August 2019

Subject: Interim Management Discussion & Analysis of financial statements for the second quarter of 2019

To: The President & Directors

The Stock Exchange of Thailand

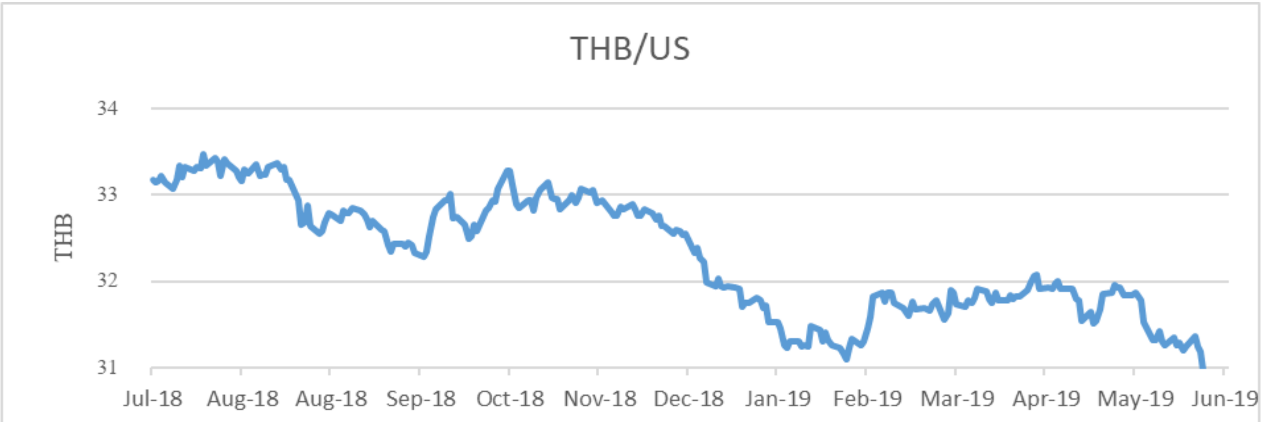
In compliance with the regulations of the SET, dated 19 November 1993, TPBI Public Company Limited (the "Company") would like to present the operating results and financial position of the Company for the second quarter ended June 30, 2019 as follows.

Respectfully yours,

(Mr. Kamol Borrisuttanakul)

Chief Financial Officer

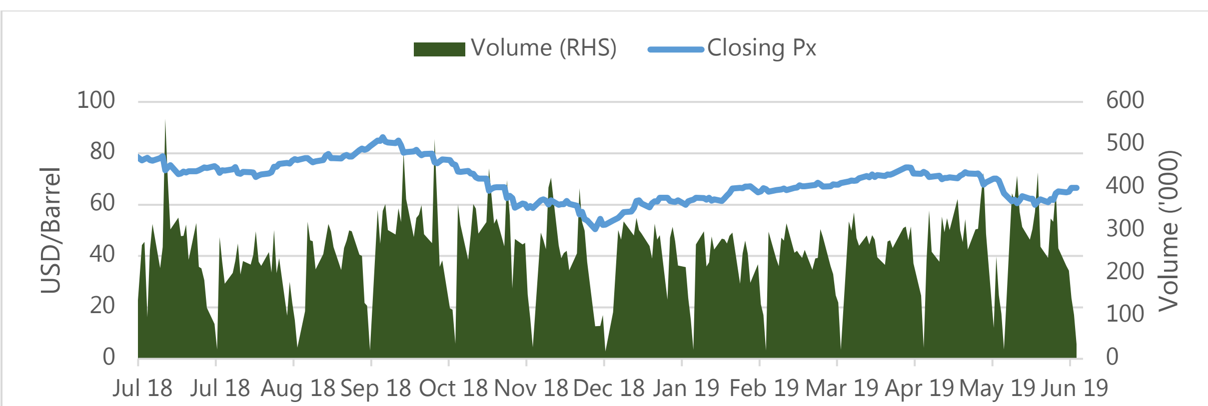
In the second quarter of 2019, the Thai exchange rate had been depreciated against US-dollar floating between THB/USD 30.67 - 32.07, with an average of THB/USD 31.61:



Source: Bloomberg

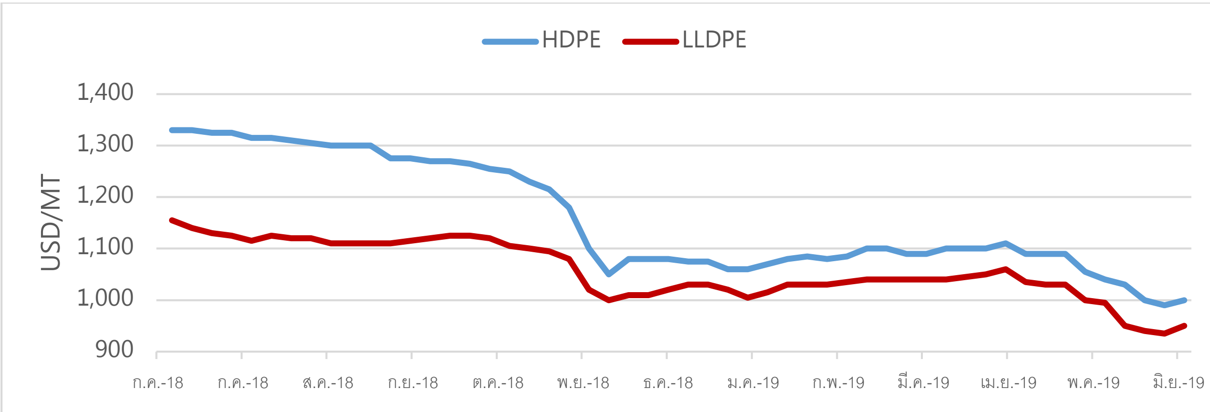
As most of the Company's income and costs are predominantly denominated in USD, so we do have partly natural hedged. However, to manage and minimize the impact from exchange rate, the company still maintain policy to buy the forward contract in accordance with market condition.

The global crude oil price rose compared to the last quarter, moving in the range of USD 59.97 - 74.57 per barrel at an average of USD 68.47 per barrel, which the increase was USD 4.63 per barrel compared to last quarter



The price of HDPE was slightly increased from USD 1,090 per MT to USD 1,000 USD per MT or 8.26% decrease. In addition, LLDPE's price slightly decreased from USD 1,040 per MT to USD 950 per MT or 8.65%

decrease. The average price of HDPE and LLDPE was USD 1,061 and 1,005 per MT respectively during the second quarter of 2019.



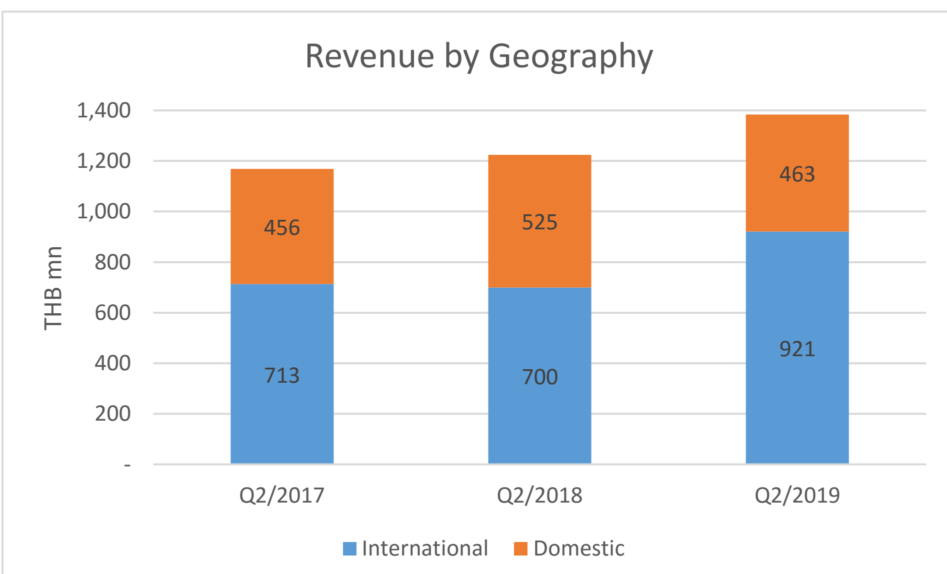
Source: Bloomberg

Operating Results *(For second quarter of 2019 compared with second quarter of 2018)*

Due to garbage bags' orders from a new foreign customer have been opened in the first quarter, such customer has regularly and continuously issued purchase orders of garbage bags which is in consumables unit since the beginning of the second quarter. In addition, the Company received purchase order of soft-loop bags from foreign customers. Such 2 factors lead to continually use the Company's capacity, and production cost of the Company has been reduced. However, production expenses of flexibles is still high because the Company's subsidiary still cannot fully utilize capacity of the factory due to the machines relocation to the new factory, which also causes non-recurring cost to the Company. Although profitability of this second quarter is better than the first quarter, profitability in this second quarter is lesser compare to the same period of previous year. The details of operating results are illustrated in the next section.

Sales

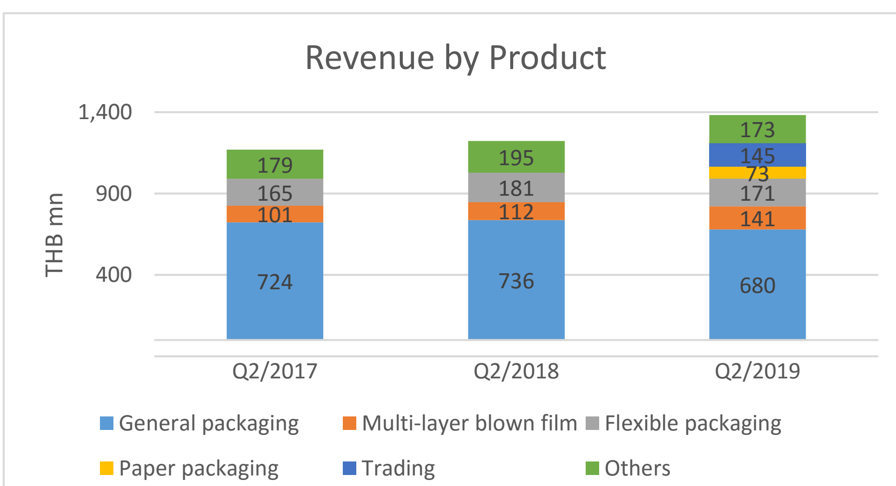
In 2Q19, the Company recorded THB 1,383.33 million in sales, increased by THB 158.99 million or 12.99 % from the same period last year. Majority of sales (66.54%) still came from exports to international markets and sales from foreign subsidiaries of the Company (Myanmar, United Kingdom and Australia).



Summary of sales performance of the Company in 2Q19 - The sales of vest carriers/ t-shirt bags dwindled since there was a lower demand for these products during the second quarter of 2019. However, the Company has an increase in sales of garbage bags, multilayer blown film and flexibles, leading the total sales to rise. Moreover, the Company has realized revenue from TPBI UK, TPBI Paper and TPBI Australia which causes the increasing of the total sales of the Company comparing to the same period of last year. The sales of vest carriers/t-shirt declined by THB 90.59 million or 31.05% from THB 291.73 million in second quarter last year to THB 201.14 million this quarter. Thus, vest carriers/ t-shirt could contribute 14.54% of the total revenue, dropped from 23.83 % in 2Q18. On the other hand, the sales of garbage bags increased by THB 135.27 million or 51.35 % from THB 263.41 million to THB 398.68 million compared to the same period last year. The proportion of garbage bags was 28.82 % of total sales revenue, rose from 21.51% in 2Q18. The sales of fruit & vegetable bag were THB 53.50, increased by THB 28.29 million or 112.20 % from the same period last year.

In addition, the Company has an increase in its sales of multilayer blown film from THB 112.43 million in 2Q18 to THB 140.72 million, counting for 25.16 % YoY. This increased its revenue contribution from 9.18 % to 10.17 % of total sales. For flexibles sales have been decreased by 5.51 % compared to the same period last year to THB 171.16 million in 2Q19. The proportion of the flexibles of the total sale revenue decreased from 14.80% in 2Q18 to 12.37% in 2Q19. While other products, the sales decreased from THB 195.27 million to THB 172.82 million, a decrease of THB 22.44 million or 11.49% YoY compared to the same period last year.

In addition, the Company also have additional sales from new products compared to the same period last year which enhance total sales of the Company. The Company has sales revenue from sales revenue from TPBI UK, TPBI Paper and TPBI Australia which divided into sales from paper packaging products of THB 73.24 million and trading business of THB 145.35 million.

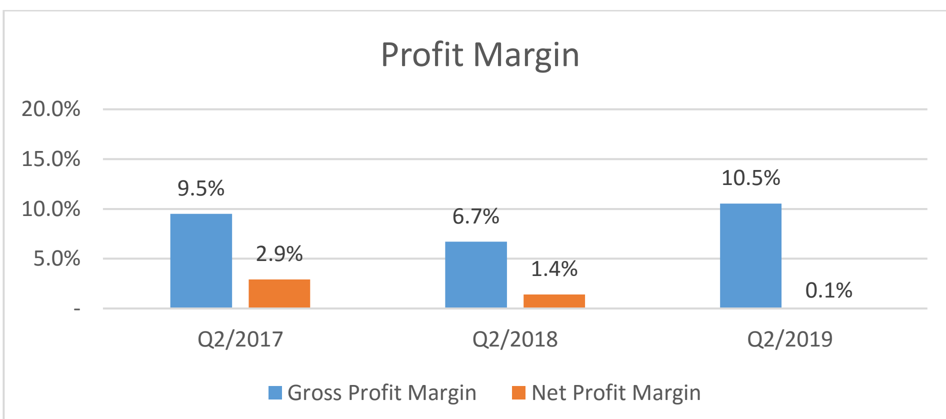


Profit Margins

In 2Q19, the Company has lower profit margin compare to the same period last year mainly due to following factors:

- single-use plastic bag ban policies across many countries. However, the Company received garbage bags' orders from a new foreign customer since the beginning of the second quarter which cause positive effect to the Company. This is also in line with business transformation policy of the Company as a result of change in customer's demand of global packaging industry
- High production expenses occurred from relocating of all production capacity to new factory of the Company's subsidiary for lower production cost (T.A.K. packaging)

Despite of these factors, the company had net profit in this quarter. However, profitability in this second quarter is lesser compare to the same period of previous year. The increased sales compared to the same period last year was a result from significant sales increase of garbage bags and multilayer blown film which is in line with the company's business transformation. Nonetheless, the Company has started to realize sales revenue from TPBI UK, TPBI Paper and TPBI Australia since in 4Q18.



The 2Q19 net profit was THB 0.84 million decreased by THB 17.73 million from 2Q18. In term of net profit margin, it has decreased to be 0.06 % compare to the same period last year which is 1.42 %. Nonetheless, the Company has always been focusing on a potential mitigation for those effect from above factors and will continue to focus on research and development of new products to support the company's performance.

Cost and Expenses

Cost of Sales of 2Q19 was THB 1,237.68 million, increasing from a year earlier THB 96.03 million or 8.41%. Cost of sales is 89.47% of sales revenue decreased from 93.25% from the same quarter last year as a result of higher sales in higher value-added products such as garbage bags and film as well as a recognition of gross profit from an investment in TPBI UK, TPBI Paper and TPBI Australia in 4Q18 compare to same quarter last year, even though the Company has an increase in cost and expenses from the relocation of all production capacity to new factory in this quarter.

SG&A in 2Q19 has increased from the same period in the year earlier from THB 80.00 million to THB 149.57 million by THB 69.57 million or 86.97 %. SG&A in 2Q19 was 10.67 % of total revenue, decreased from the same period last year which was 6.42%. The higher SG&A mainly came from SG&A including depreciation expenses from TPBI UK, TPBI Paper and TPBI Australia.

EBITDA increased by THB 4.84 million or by 5.99 % YoY from THB 80.86 million to THB 85.71 million as a result of an increase in total revenue and gross profit margin as mentioned above.

In THB mm	2Q19	2Q18	YoY	
			THB mm	%
Sales	1,401.83	1,245.78	156.05	12.53%
Cost of Sales	1,237.68	1,141.65	96.03	8.41%
Other income	18.50	21.44	(2.94)	(13.71%)
SG&A	149.57	80.00	69.57	86.97%
EBITDA	85.71	80.86	4.84	5.99%
NPAT	0.84	17.73	(16.90)	(95.27%)
EPS *(THB)*	0.017	0.040	(0.023)	(57.92%)

Operating Results *(For 2Q19 compared to 1Q19)*

Profit Margins

To clearly reflect operating results of the Company during the transformation period, the Company intends to compare operating results between the current quarter and the previous quarter (between 2Q19 and 1Q19). The Company has higher profit margin compare to 1Q19 due to following factors:

- The Company reduces the dependence of selling single-use plastic bag in the international markets and replace such by expanding to new products and new markets. Production capacity of the Company has been expanded to produce garbage bags, soft-loop bags, paper packaging and trading business.
- The Company is able to control better production cost and SG&A because of receiving many orders of consumables from foreign customers.

Sales

In 2Q19, the Company recorded THB 1,383.33 million in sales, increased by THB 27.22 million or 2.01% from 1Q19.

Cost and Expenses

Cost of Sales of 2Q19 was THB 1,237.68 million, increasing from 1Q19 THB 14.18 million or 1.16%. Cost of sales is 89.47% of sales revenue decreased from 90.22 % from 1Q19.

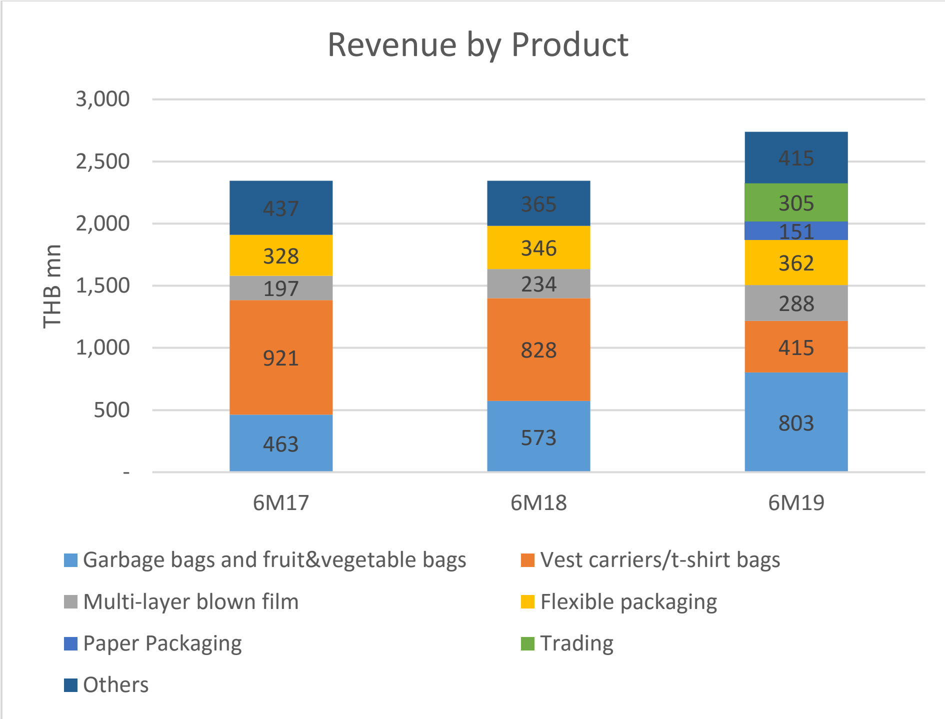
SG&A in 2Q19 has decreased from 1Q19 from THB 154.82 million to THB 149.57 million by THB 5.25 million or 3.39 %. SG&A in 2Q19 was 10.67 % of total revenue, decreased from 1Q19 which was 11.28 %.

In THB mm	2Q19	1Q19	YoY	
			THB mm	%
Sales	1,401.83	1,372.82	29.01	2.11%
Cost of Sales	1,237.68	1,223.50	14.18	1.16%
Other income	18.50	16.72	1.78	10.66%
SG&A	149.57	154.82	(5.25)	(3.39%)
EBITDA	85.71	68.86	16.84	24.46%
NPAT	0.84	(19.39)	20.22	104.28%
EPS *(THB)*	0.017	(0.038)	0.0421	110.79%

For six-month of 2019, cost per sales ratio of the Company rose comparing to the same period of the year earlier. This leads to less profitability of the Company, which is THB (18.55) million, comparing to the first half of 2018, decreasing THB 20.95 million or 188.55 %. The key driver is from the following factors;

- single-use plastic bag ban policies across many countries and garbage bags' order opening process of the new customer during beginning of the first quarter. The capacity for new customer is in line with business transformation policy of the Company as a result of change in customer's demand of global packaging industry.
- High production expenses occurred from production start-up and moving of all production capacity to new factory of the Company's subsidiary for lower production cost (T.A.K. packaging)
- An increase in depreciation expenses as a result of new product capacity expansion in consumables and an increase in production capacity of flexibles product
- An increase in interest expense from an increase in bank loans as a result of an expansion in production capacity of consumables and flexibles product

In terms of top line, the Company's total revenue increased to THB 2,774.64 million from THB 2,382.76 million, or 16.45% increased. However, the cost of sales increased to THB 2,461.18 million from THB 2,189.41 million in the year earlier while SG&A is at THB 304.38 in first half of 2019, slightly from THB 158.50 million in the same period of 2018. EBITDA increased by THB 14.04 million or 10.12 % YoY from THB 138.69 million to THB 152.72 million, compared to 2018.

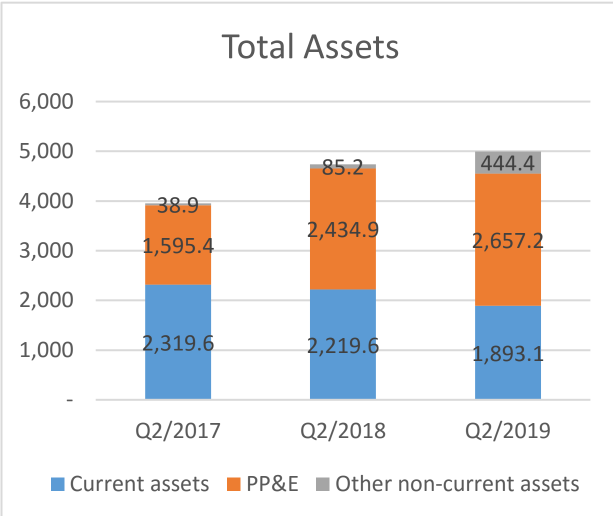


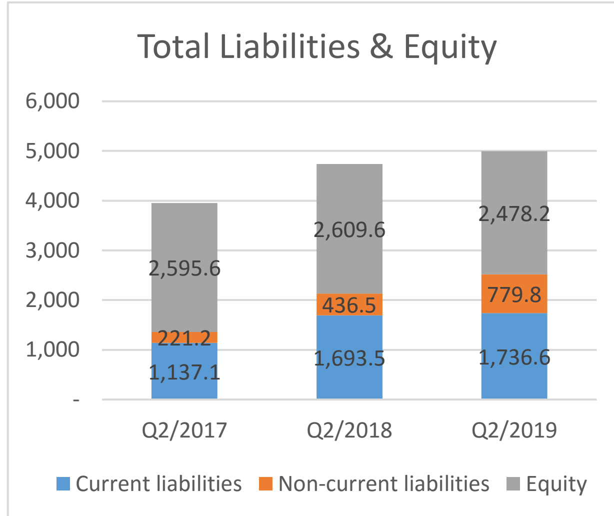
The product composition is still in line with the Company's plan to increase the contribution from value-added and sustainable products over the time as shown in the above revenue breakdown by product in 6M19; the Company has a significant increase in sales of garbage bags due to an increase in demand from international market as well as the increase revenue from multilayer blown film, flexibles, paper packaging and trading.

In THB mm	6M19	6M18	YoY	
			THB mm	%
Sales	2,774.64	2,382.76	391.89	16.45%
Cost of Sales	2,461.18	2,189.41	271.77	12.41%
Other income	35.22	36.14	(0.92)	(2.54%)
SG&A	304.38	158.50	145.89	92.04%
EBITDA	152.72	138.69	14.04	10.12%
NPAT	(18.55)	20.95	(39.49)	(188.55%)
EPS *(THB)*	(0.021)	0.042	(0.063)	(149.88%)

Financial Position

Assets





Total assets of the Company as of 2Q19 was THB 4,994.64 million decreased by THB 109.75 million or 2.15 % from the end of year 2018. The Company had total current assets of THB 1,893.06 million decreased by THB 127.45 million or 6.31% composed of a decrease in trade and other receivable of THB 109.23 million or 12.59 % and an increase of inventories of THB 56.95 million or 6.53 %. Besides, the Company had an increase in non-current assets of THB 17.70 million or 0.57 % mainly came from an increase in PP&E of the Company by THB 14.47 million or 0.55 %.

Liabilities and Shareholders' Equity

As of 2Q19, total liabilities of the Company were THB 2,516.40 million, decreased by THB 77.04 million or 2.97 % from end of 2018 due to the decrease in short-term borrowing composed of promissory note, trustee payable, and packing creditor from financial institution of THB 128.86 million or 14.75% and trade payable and other payable increased by THB 73.25 million.

Shareholders' equity as of 2Q19 amounts to THB 2,478.24 million decreased by THB 32.71 million from end of 2018, due to a reduction of retained earnings by THB 8.40 million, other components of shareholders' equity by THB 13.12 million, and non-controlling interests of subsidiaries by THB 11.19 million.

Cash flow

Cash flow received from operation in 1H19 was THB 263.21 million, increased from cash flow received from operation in 2018 which was THB (24.43) million. The Company's earnings (loss) before tax was presented at THB (20.56) million. The increase in cash flow from depreciation and amortization of THB 148.14 million, and trade receivables and other receivables THB 109.01 million.

Cash flow used in investing activities was recorded at THB 161.02 million, which THB 156.98 million was spent on PP&E to enhance its capacity and productivity.

The reported cash flow used in financing activities was THB 180.28 million, resulted from a decrease in short-term borrowing from financial institution by THB 128.36 million and repayment of long-term borrowing from financial institution.

To conclude, the net ending cash for the Company as of 2Q19 was THB 165.31 million decreased from THB 373.81 million from the end of 2018.

Key Financial Ratios

	2Q19	2Q18
Gross Profit Margin (%)	10.53%	6.75%
Net Profit Margin (%)	0.06%	1.42%
Current Ratio (x)	1.09x	1.31x
Quick Ratio (x)	0.56x	0.84x
D/E Ratio (x)	1.02x	0.81x
EPS (THB/SHARE)	0.017	0.040
BVPS (THB/SHARE)	5.94	6.53