

November 14, 2016

Subject: Management Discussion and Analysis for Q3/2016

To: **Managing Director**

The Stock Exchange of Thailand

The company would like to report the operation results for the company and subsidiary for 3<sup>rd</sup> quarter of 2016 ended 30 September 2016. The company net profit of Baht 5.53 million when compared with the same period of year 2015 posted net profit of Baht 1.16 million due to the following reasons.

1. The Company and its subsidiaries had revenue from sales and services amounted to 502.63 million baht compared to quarter 3<sup>rd</sup> quarter of 2015 Revenue from sales and services amounted to 326.22 million baht in revenue from sales and services increased by Baht 176.41 million. baht or 54.08 per cent income increase due
  - 1.1 The Company has investments in subsidiaries engaged respondents exporting wood chips from eucalyptus abroad. The company invested 80 percent in the company and started to export in the first quarter of 159.09 million baht.
  - 1.2 Revenue increased from leather and leather parts for the car seat, with orders from existing customers increased by 17.32 million baht.
2. The Company's cost of sales and services in the amount of 412.41 million baht representing 82.05 percent of its revenue from sales and services. Decline compared to the previous quarter of year 2015 which cost of sales and services amounted to 280.45 million baht or 85.97 percent of its revenue from sales and services. As a percentage of revenue, cost of sales and services decreased due to lower raw material costs movies from the purchase of raw materials from suppliers directly.
3. The Company's selling and administrative expenses for 3<sup>rd</sup> quarter of 2016 in the amount of 75.84 million baht compared to quarter 3<sup>rd</sup> of 2015 sales and administrative expenses of Baht 29.30 million, increasing by Baht 46.54 million in expenses. Sales expenses increased by Baht 16.81 million from the export of wood chips from eucalyptus and cost of sales of leather and leather parts for cars. For administrative expenses increased by 29.73 million Baht due to the cost of continuing to invest in renewable energy projects.

Please be informed accordingly.

Your Sincerely,

(Mr. Weerapon Chaiteerath)

Managing Director