



28th February

Subject: Management Discussion and Analysis (MD&A) of the Financial as at and for Fiscal Year 2016
Ending 31st December 2016

Attention: President
The Stock Exchange of Thailand

P.C.S. Machine Group Holding Public Company Limited (the "Company") would like to inform the Management Discussion and Analysis (MD&A) of the financial as at and for fiscal year 2016 ending 31st December 2016 as follow

Financial Overview

Items	FY 2016	FY 2015	+ / (-) %
Sales	3,707.2	4,092.3	(9.4)
Cost of Goods Sold	3,190.9	3,426.0	(6.9)
Selling and Administration Expenses	164.9	171.4	(3.8)
Net Profit	382.1	541.7	(29.5)

(unit: mn THB)

Sales

The Federation of Thai Industries' Automotive Industry Club revealed the overview of Thailand Automotive Industry 2016 was tough from the ongoing slowdown in the Thai Economy. The number of cars that were sold in Thailand has dropped by 3.86% to 768,788 units last year due to low agricultural prices, the already high level of household debts and the pull-ahead effects from the previous government's First Car policy. While, the export was 1,188,515 units represented a decrease of 1.36% when compared to 2015. The total produced 1,944,417 units represented an increase of 1.64% and 1,110,287 units were 1 ton pickup based vehicles represents a decrease of 1.17% when compared to 2015.

The company and its subsidiaries had sales THB 3,707.2 mn, represents a decrease of 9.4% when compared to 2015 in the same trend of its industry and the expired project of Brazil export valued THB 200 mn.

Cost of Goods Sold

In FY2016, the company and its subsidiaries had cost of goods sold THB 3,190.9 mn, represents an increase of COGS to sales ratio of 2.4% when compared to 2015, as the result of high market competition. At the end of Q2 continue to Q3, the Company confronted with machinery troubles and necessary to stop production line for a while, and some raw material used for process trial caused to increase COGS to sales ratio as mentioned.

Selling and Administration Expenses

In FY2016, the company and its subsidiaries had selling and administration expenses THB 164.9 mn, represents a decrease of 3.8% when compared to 2015.

Net Profit

In FY2016, the company and its subsidiaries had a net profit of THB 382.1 mn, represents a contraction of net profit margin of 2.9% when compared to 2015, according to an increase of cost of goods sold as mentioned.

Statement of Financial Position

Items	at 31 st Dec 2016	at 31 st Dec 2015	+ / (-)
Current Assets	2,350.4	2,162.0	188.4
Noncurrent Assets	2,842.8	3,209.2	(366.4)
Total Assets	5,193.2	5,371.2	(178.0)
Current Liabilities	249.1	455.4	(206.3)
Noncurrent Liabilities	60.0	40.8	19.2
Total Liabilities	309.1	496.2	(187.1)
Issued and Paid Share Capital	1,545.0	1,545.0	0.0
Premium on Share	2,896.8	2,896.8	0.0
Retained Earnings	351.2	361.8	(10.6)
Total Equities	4,884.1	4,874.9	9.2

(unit: mn THB)

Total Assets as at 31st December 2016 was THB 5,193.2 mn. The current assets increased THB 188.4 mn from at 31st December 2015. Cash equivalent increased THB 312.5 mn, Inventory decreased THB 68.5 mn, due to contraction of raw material buying as the sales and noncurrent assets decreased THB 366.4 mn, because of COGS. Total Liabilities as at 31st December 2016 was THB 309.1 mn, decreased THB 187.1 mn from at 31st December 2015 by the contraction of raw material buying as the sales.

Equities as at 31st December 2016 was THB 4,884.1 mn, increased THB 9.2 mn from at 31st December 2015.

Cash Flow Statement

Items	at 31 st Dec 2016	at 31 st Dec 2015
Cash and Equivalent Balance	749.6	797.6
Cash Flow from Operating	878.0	961.8
Cash Flow from Investing	(203.5)	(230.1)
Cash Flow from Financing	(366.0)	(785.0)
Net Cash Flow	1,062.0	749.5

(unit: mn THB)



บริษัท พี.ซี.เอส. แมชชีน กรุ๊ป โฮลดิ้ง จำกัด (มหาชน)
P.C.S. Machine Group Holding Public Company Limited

The company and its subsidiaries has net cash flow as at 31st December 2016 THB 1,062.0 mn. The cash flow from operation was THB 878.0 mn, used for investing in new programs, maintenance and improve the capacities for THB 203.5 mn and used for financing THB 366.0 mn. Most of them were paid interim dividend.

Please be informed accordingly.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "P. Adulratananukul".

Mr. Prasong Adulratananukul

Chief Executive Officer

Authorized Signatory