

AC0515/2017

May 15, 2017

Subject: Management Discussion and Analysis for Q1/2017

To: Managing Director

The Stock Exchange of Thailand

The company would like to report the operation results for the company and subsidiary for 1st quarter of 2017 ended 31 March 2017. The company net profit of Baht 7.29 million when compared with the same period of year 2016 posted net profit of Baht 27.06 million due to the following reasons.

1. The Company and its subsidiaries had revenue from sales and services amounted of Baht 457.02 million compared with the same period of year 2016 Revenue from sales and services amounted of Baht 372.72 million in revenue from sales and services increased by Baht 84.30 million or 22.62 percent income increase due

1.1 Revenue increased from leather and leather parts for the car seat, with orders from existing customers increased in 1st quarter of 2017, resulting in the company's operating results in Q1/2017 Sales and services totaled Baht 390.69 million and net profit was Baht 21.77 million increased compared to Q1/2016, the company had revenue from sales and services of Baht 369.87 million, a net profit of Baht 9.13 million.

1.2 The Company has invested in a subsidiary that invests in energy business. The company has started revenue from electricity distribution and exports of wood chips in the amount of Baht 63.48 million.

The Company's other income for 1st quarter of 2017 was Baht 15.98 million, a decrease of Baht 31.90 million from the same quarter of last year. Due to the gain on disposal of non-current assets classified as held for sale in 1st quarter of 2016 in the amount of Baht 23.54 million.

2. The Company's cost of sales and services in the amount of Baht 394.30 million representing 86.28 percent of its revenue from sales and services. The percentage of cost of sales and service income increased compared to the same quarter last year which presented in the amount of Baht 317.99 million or 85.32 percent. As the cost increases, it is the cost of energy.

3. The Company's selling and administrative expenses of 1st quarter of 2017 in the amount of Baht 56.14 million or 12.28 percent of revenue from sales and services. Increased compared to last year which sales and administrative expenses of Baht 45.15 million. Selling and administrative expenses increased due to increased sales from leather and leather parts for the car seat and the cost of continuing to invest in renewable energy projects.

Please be informed accordingly.

Your Sincerely,

(Mr. Weerapon Chaiteerath)

Managing Director