

August 15, 2017

Subject: Management Discussion and Analysis for Q2/2017

To: **Managing Director**

The Stock Exchange of Thailand

The company would like to report the operation results for the company and subsidiary for 2nd quarter of 2017 ended 30 June 2017. The company net profit of Baht 37.94 million when compared with the same period of year 2016 posted net profit of Baht 9.11 million due to the following reasons.

1. The Company and its subsidiaries had revenue from sales and services amounted of Baht 475.68 million compared with the same period of year 2016 Revenue from sales and services amounted of Baht 358.29 million in revenue from sales and services increased by Baht 117.42 million or 32.72 percent income increase due
 - 1.1 Revenues increased from leather parts for the car seat with orders from existing customers increased in 2nd quarter of 2017, resulting in the company's operating results in Q2/2017 Sales and services totaled Baht 461.37 million and net profit was Baht 31.98 million increased compared to Q2/2017, the company had revenue from sales and services of Baht 355.44 million, a net profit of Baht 11.58 million.
 - 1.2 Revenues increased from electricity distribution for 2nd quarter of 2017 in the amount of Baht 11.76 million.

In addition, a subsidiary company's gain on debt forgiveness from financial institution was Baht 9.86 million.

2. The Company's cost of sales and services in the amount of Baht 379.95 million representing 79.88 percent of its revenue from sales and services. As a percentage of cost of sales and services decreased compared to the same quarter last year which cost of sales and services amount of Baht 311.49 million or 86.94 percent of its revenue from sales and services due to lower raw material costs movies from the purchase of raw materials from suppliers directly.

3. The Company's selling and administrative expenses of 2nd quarter of 2017 in the amount of Baht 50.59 million or 10.63 percent of its revenue from sales and services. Increased compared to same quarter which selling and administrative expenses of Baht 36.10 million or 10.07 percent. The company had an increase in selling and administrative expenses of Baht 14.49 million. As the company had higher selling and administrative expenses from leather parts for the car seat business in the amount of Baht 9.41 million and the cost of continuing to invest in renewable energy projects in the amount of Baht 5.08 million.

Please be informed accordingly.

Your Sincerely,

(Miss Somruetai Paithoonrangsarid)

Accounting and Finance Manager