

10th November, 2017

Subject: Management Discussion and Analysis (MD&A) of the financial as at and for three months' period ending 30th September, 2017

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 three months' period ending 30th September, 2017 as follow;

Financial Overview in Q3.2017

Sales

The Automotive Industry Club, The Federation of Thai Industries reveals the number of statistic in Q3.2017, the total vehicle domestic sales were 210,735 units represent an increase of 5.6% when compared to the previous quarter and represent an increase of 12.2% when compared to the same period of last year. The total vehicle export were 313,576 units represent an increase of 24.4% when compared to the previous quarter and represent an increase of 2.5% when compared to the same period of last year which indicates the industry recovery situation and lead to the total vehicle production were 526,778 units represent an increase of 13.2% when compared to the previous quarter and represent an increase of 9.2% when compared to the same period of last year.

In Q3.2017, the Company and its subsidiaries sold THB 1,033.9 mn represents an increase of 19.5% when compared to the previous quarter but increase of 10.5% when compared to the same period of last year in the better than trend of its industries.

Items	Q3.2017	Q2.2017	+ / (-) %	Q3.2016	+ / (-) %
Sales	1,033.9	935.8	10.5	865.5	19.5
Cost of Goods Sold	829.5	749.5	10.7	764.8	8.5
Selling and Administration Expenses	46.1	42.6	8.2	43.1	7.0
Net Profit	170.8	160.7	6.3	60.4	182.8

(Unit: THB mn)

Cost of Goods Sold

In Q3.2017, the Company and its subsidiaries had cost of goods sold (COGS) THB 829.5 mn represents an increase of COGS to sales ratio 0.1% when compared to the previous quarter and represent a decrease of 8.2% when compared to the same period of last year by continuous process improvement in production.

Selling and Administrative Expenses

In Q3.2017, the Company and its subsidiaries had selling and administrative expenses THB 46.1 mn represents an increase of 8.2% when compared to the previous quarter and represent an increase of 7.0% when compared to the same period of last year due to an increase of export expenses.

Net Profit

In Q3.2017, the Company and its subsidiaries had net profit THB 170.8 mn represents an increase of net profit margin 9.3% when compared to the same period of last year regarding a decrease of cost of goods sold (COGS) as mentioned.

Financial Overview of the First Nine Months of 2017

Sales

The Automotive Industry Club, The Federation of Thai Industries reveals the statistics of for the first nine months of 2017, the total vehicle domestic sales were 620,715 units represent an increase of 11.5% when compared to the same period of last year and the total export were 849,982 units represent a decrease of 5.6% when compared to the same period of last year which lead to the total vehicle production were 1,477,744 units represent an increase of 0.1% when compared to the same period of last year.

For the first nine months of 2017, the Company and its subsidiaries sold THB 2,956.6 mn represents an increase of 5.4% when compared to the same period of last year.

Items	9M.2017	9M.2016	+ / (-) %
Sales	2,956.6	2,806.3	5.4
Cost of Goods Sold	2,378.5	2,464.3	(3.5)
Selling and Administration Expenses	131.6	122.2	7.7
Net Profit	482.2	178.7	169.8

(Unit: THB mn)

Cost of Goods Sold

For the first nine months of 2017, the Company and its subsidiaries had cost of goods sold (COGS) THB 2,378.5 mn represents a decrease of COGS to sales ratio 7.4% when compared to the same period of last year by process improvement in production.

Selling and Administrative Expenses

For the first nine months of 2017, the Company and its subsidiaries had selling and administrative expenses THB 131.6 mn represents an increase of 7.7% when compared to the same period of last year.

Net Profit

For the first nine months of 2017, the Company and its subsidiaries had net profit THB 482.2 mn represents an increase of net profit margin 9.8% when compared to the same period of last year regarding a decrease of cost of goods sold (COGS) as mentioned.

Statement of Financial Position

Items	As at 30 th Sep, 2017	As at 30 th Jun, 2017	+ / (-) %
Current Assets	2,963.3	2,759.1	204.2
Noncurrent Assets	2,522.1	2,612.5	(90.4)
Total Assets	5,485.4	5,371.5	113.9
Current Liabilities	478.4	294.4	184.4
Noncurrent Liabilities	67.7	64.7	3.0
Total Liabilities	546.1	359.0	187.1
Issue and Paid Share Capital	1,545.0	1,545.0	0.0
Premium on Share	2,896.8	2,896.8	0.0
Total Equities	4,939.3	5,012.5	(73.2)

(Unit: THB mn)

Total assets as of 30th September, 2017 was THB 5,485.4 mn. The current assets increased THB 204.2 mn from 30th June, 2017 by the increase of cash and cash equivalents regarding an increase of sales when compared to the previous quarter. Noncurrent assets decreased THB 90.4 mn because of building and equipment depreciation. Total liabilities as at 30th September, 2017 was THB 546.1 mn represents an increase of THB 187.1 mn from 30th June, 2017 from raw material preparation for the increase of production volume. Total equities as at 30th September, 2017 was THB 4,939.3 mn represents a decrease of THB 73.2 mn from 30th June, 2017.

Cash Flow Statement

Items	As at 30 th Sep, 2017	As at 30 th Jun, 2017
Cash Flow from Operating	957.7	459.4
Cash Flow from Investment	(388.5)	(8.0)
Cash Flow from Financing	(427.0)	(183.0)
Net Cash Flow	1,207.1	1,333.1

(Unit : THB mn)

The Company has net cash flow as at 30th September, 2017 THB 1,207.1 mn by cash flow from operating THB 957.7 mn and used for investment THB 388.5 mn by opening fixed deposit account more than three months and the preparation of new project and used for financing THB 427.0 mn. Most of them were paid for interim dividend.

Please be informed accordingly.

Sincerely yours,



Prasong Adulratananukul
Chief Executive Officer
Authorized Signatory