

Ref: PLC 2017/017

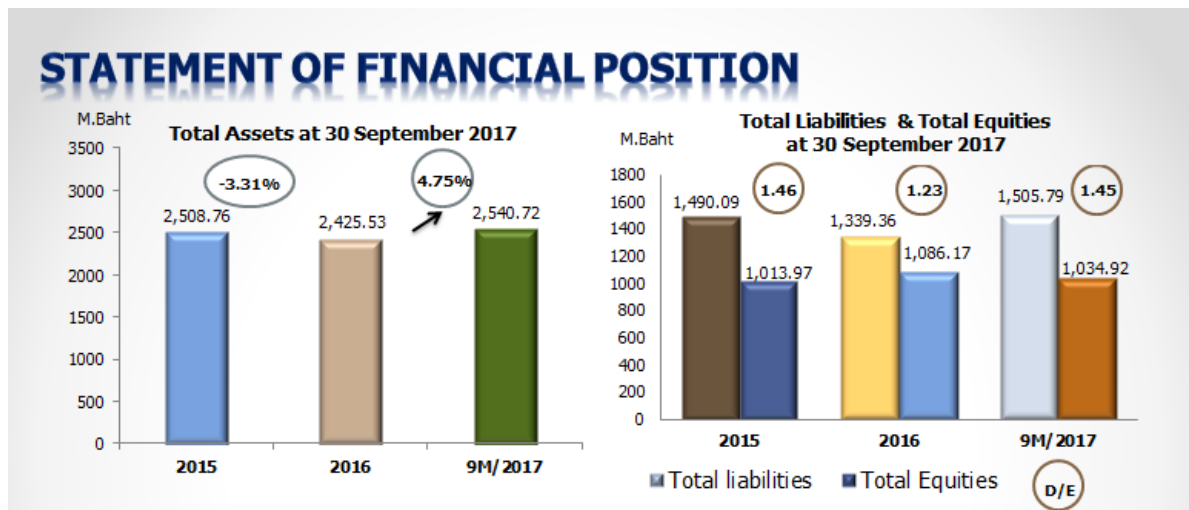
November 16, 2017

Subject: Management Discussion and Analysis Quarter 3 Ended 30-September-2017 (Additional)

To: The President of the Stock Exchange of Thailand

Panjawattana Plastic Public Company Limited and its subsidiaries ("the Company") would like to clarify herewith the operating result for Quarter 3 Ended 30-September-2017 as follows:-

**Financial Position**

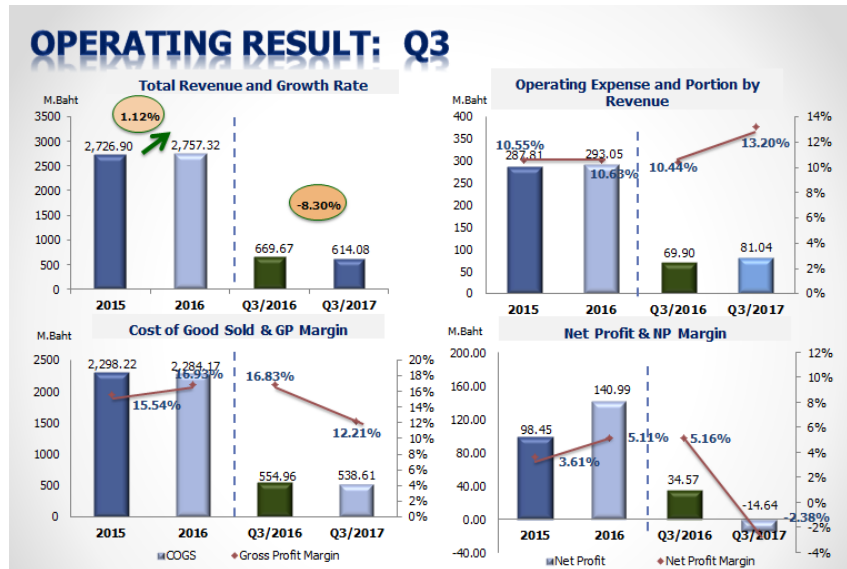


As at 30 September 2017 total assets of consolidated financial statements increased by Baht 115.18 million or 4.7% compared with last year. An increase mainly arise from cash equivalents of Baht 32.77 million since cash paid-in for share capital increase of subsidiary in China during late of September. In addition, property, plant and equipment increased by Baht 78 million which were new machines that ordered since last year but the shipment delayed until the early of this year and were the investment for machine and equipment improvement.

As of 30 September 2017 the Company had consolidated liabilities increased from last year by Baht 166.43 million compared with last year mainly from short term loan for working capital and for purchasing plastic resin in cash to get cash discount. Moreover, the Company paid for dividend in May. As a result, the Debt to Equity ratio increased from 1.23 times to 1.45 times of last year.



Operating result 3 months

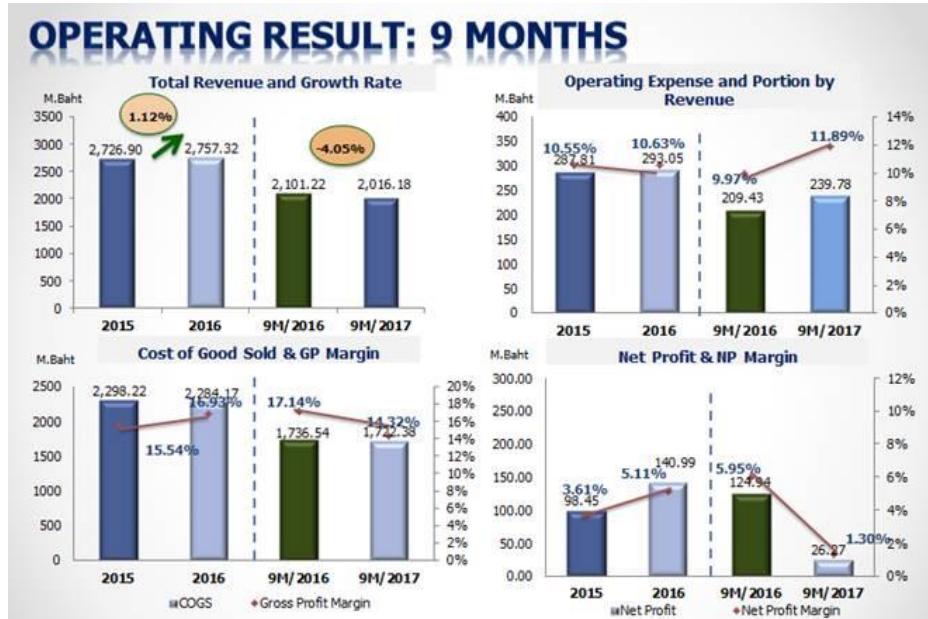


For Quarter 3 ended 30 September 2017, the consolidated net loss of the Company was Baht 14.64 million decreased by Baht 49.21 million or 142.34% from the same period of last year. The main reasons were as follows:-

1. The consolidated sales decreased by Baht 55.59 million or 8.30% because sales of customer in oil packaging dropped from slacked domestic market and sales of customer in packaging for milk and yogurt segment dropped due to the contraction of export. For plastic automotive part customers, sales decreased because revenue recognition from mold and tooling lower than same period of last year. However, the Company is in the development phase for new models which will have commercial launch next year. For Painting segment, sales decrease because some products are near to the end of the model life.
2. The consolidated gross profit margin was 12.21%, decreased from the same period of last year at 16.83% due to the declining in sales but the Company still had fixed cost. Moreover, the depreciation was higher from machine acquisition and plant and equipment improvement expenditure.
3. The consolidated net loss was 2.38%, decreased from the same period of last year at net profit 5.16%, mainly caused by reduction in gross profit margin while selling and administrative expenses in proportional to sale increase owing to the decrease in the overall plastic automotive part market but the Company has fixed cost for new model of painting segment preparation.



**Operating result 9 months**



For period 9 months ended 30 September 2017, the consolidated net profit of the Company was Baht 26.27 million decreased by Baht 98.67 million or 78.97% from the same period of last year. The main reasons were as follows:-

- The consolidated sales decreased by Baht 85.04 million or 4.05% because sales of customer in oil packaging dropped from slacked domestic market and sales of customer in packaging for milk and yogurt segment dropped due to the contraction of export. For plastic automotive part customers, sales decreased because some parts are in the end of the model life and are going to have some minor changes.
- The consolidated gross profit margin was 14.32%, decreased from the same period of last year at 17.14% due to the declining in sales whereas depreciation was higher from machine acquisition and plant and equipment improvement expenditure.
- The consolidated net profit margin was 1.3%, decreased from the same period of last year at 5.95%, mainly caused by reduction in gross profit margin while selling and administrative expenses in proportional to sale increase owing to the decrease in the overall plastic automotive part market but the Company has fixed cost for new model of painting segment preparation.

Please be informed accordingly

Sincerely yours

(Mrs. Prim Chaiyawat)

Company's Secretary