

February 26, 2017

Subject : Management Discussion and Analysis for year and 4th quarter ended December 31, 2017

Attention : President

The Stock Exchange of Thailand

1. Operating Performance

1.1 Revenues

(Thousands Baht)								
	Year		Change		4 th Quarter		Change	
	2560	2559	Amount	%	2560	2559	Amount	%
Revenue from sales	1,566,147	1,477,687	88,461	5.99%	437,506	371,485	66,021	17.77%
Other income	19,457	14,472	4,985	34.45%	6,968	4,786	2,182	45.58%
Total Revenue	1,585,604	1,492,159	93,446	6.26%	444,474	376,271	68,203	18.13%

Company total revenue on year 2017 slightly increased 6.26 percent from year 2016, due to higher sale volume and higher sale volume in CNF incoterm, while Thai baht appreciates against US dollar. And total revenue on 4th quarter increased 18.13 percent from the same period of last year, due to higher sale volume and higher sale volume in CNF incoterm.

1.2 Cost of goods sold and expenses

(Thousands Baht)								
	Year		Change		4 th Quarter		Change	
	2560	2559	Amount	%	2560	2559	Amount	%
Cost of goods sold	(1,060,184)	(935,107)	(125,077)	13.38%	(307,387)	(246,955)	(60,432)	24.47%
Selling expenses	(193,123)	(149,551)	(43,572)	29.14%	(50,734)	(30,259)	(20,475)	67.67%
Administrative expenses	(66,085)	(87,329)	21,244	-24.33%	(13,931)	(46,145)	32,214	-69.81%
Finance Costs	(24,036)	(42,036)	18,000	-42.82%	(1,579)	(9,217)	7,638	-82.86%
Total	(1,343,428)	(1,214,023)	(129,405)	10.66%	(373,632)	(332,576)	(41,055)	12.34%

Cost of goods sold on year 2017 increased 13.38 percent from year 2016, due to higher sale volume, higher raw material cost and expense from major overhaul in the beginning of year 2017. Comparing to 4th quarter, cost of goods sold increased 24.47 percent from the same period of last year, which accord with higher sales volume.

Selling expenses on year 2017 and 4th quarter increased 29.14 and 67.67 percent accordingly from the same period of last year, due to higher transportation cost from higher sale volume and higher sales volume in CNF incoterm.

Administrative expenses on year 2017 and 4th quarter decreased 24.33 and 69.81 percent accordingly from the same period of last year, due to lower bonus estimation and asset impairment for door skin machine in year 2016

Financial cost on year 2017 and 4th quarter decreased 42.82 and 82.86 percent accordingly from the same period of last year, due to the repayment of long term loan.

As a result, cost of goods sold and expenses on year 2017 and 4th quarter increased 10.66 and 12.34 percent accordingly from the same period of last year.

1.3 Profit

(Thousands Baht)								
	Year		Change		4 th Quarter		Change	
	2560	2559	Amount	%	2560	2559	Amount	%
Gross profit	505,963	542,580	(36,616)	-6.75%	130,119	124,529	5,589	4.49%
Profit before income tax	242,176	278,143	(35,967)	-12.93%	70,842	43,724	27,117	62.02%
Net profit for period	226,819	262,583	(35,763)	-13.62%	68,435	40,520	27,914	68.89%

From revenues, cost of goods sold and expenses factors, company net profit on year 2017 ended December 31, 2017 was 226.82 million baht decreased 13.62 percent from the same period of last year. And net profit on 4th quarter was 68.44 million baht increased 68.89 percent from the same period of last year.

Sincerely Yours,

(Ms.Orawan Sangwongkit)

Chief Financial Officer