

27<sup>th</sup> February, 2018

Subject: Management Discussion and Analysis (MD&A) of the financial as at and for three months' period ending 31<sup>st</sup> December, 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 31<sup>st</sup> December, 2017 as follow;

#### Financial Overview in Q4.2017

##### Sales

The Automotive Industry Club, The Federation of Thai Industries reveals the number of statistic in Q4.2017, the total vehicle domestic sales were 250,935 units represent an increase of 19.1% when compared to the previous quarter and represent an increase of 18.7% when compared to the same period of last year. While, the export were 289,714 units represent a decrease of 7.6% when compared to the previous quarter but represent an increase of 0.7% when compared to the same period of last year which indicates the industry recovery situation and lead to the total vehicle production were 511,079 units represent a decrease of 3.0% when compared to the previous quarter and represent a decrease of 4.7% when compared to the same period of last year and the total 1 ton pickup based vehicle production were 287,746 units represent a decrease of 4.7% when compared to the previous quarter but represent an increase of 8.2% when compared to the same period of last year.

In Q4.2017, the Company and its subsidiaries sold THB 970.9 mn represents a decrease of 6.1% when compared to the previous quarter but increase of 7.8% when compared to the same period of last year in the same trend of its industries.

Items	Q4.2017	Q3.2017	+ / (-) %	Q4.2016	+ / (-) %
Sales	970.9	1,033.9	(6.1)	901.0	7.8
Cost of Goods Sold	778.8	829.5	(6.1)	726.6	7.2
Selling and Administration Expenses	43.5	46.1	(5.6)	42.7	1.9
Net Profit	159.3	170.8	(6.7)	142.9	11.5

(Unit: THB mn)

##### Cost of Goods Sold

In Q4.2017, the Company and its subsidiaries had cost of goods sold (COGS) THB 778.8 mn represents a decrease of COGS to sales ratio 0.1% when compared to the previous quarter and represent a decrease of 0.4% when compared to the same period of last year.

##### Selling and Administrative Expenses

In Q4.2017, the Company and its subsidiaries had selling and administrative expenses THB 43.5 mn represents a decrease of 5.6% when compared to the previous quarter but represent an increase of 1.9% when compared to the same period of last year.

**Net Profit**

In Q4.2017, the Company and its subsidiaries had net profit THB 159.3 mn represents a decrease of net profit margin 6.7% when compared to the previous quarter but represent an increase of 11.5% when compared to the same period of last year.

**Financial Overview of the Fiscal Year 2017****Sales**

The Automotive Industry Club, The Federation of Thai Industries reveals the overview of Thailand Automotive Industry 2017, the total vehicle domestic sales were 871,650 units represent an increase of 13.4% when compared to the same period of last year and the total export were 1,139,696 units represent a decrease of 4.1% when compared to the same period of last year and lead to the total vehicle production were 1,988,823 units represent an increase of 2.3% when compared to the same period of last year and the total 1 ton pickup based vehicle production were 1,130,058 units represent an increase of 2.5% when compared to the same period of last year.

In FY2017, the Company and its subsidiaries sold THB 3,927.5 mn represents an increase of 5.9% when compared to the same period of last year in the better than trend of its industries.

Items	FY2017	FY2016	+ / (-) %
Sales	3,927.5	3,707.2	5.9
Cost of Goods Sold	3,157.3	3,190.9	(1.1)
Selling and Administration Expenses	175.1	164.9	6.2
Net Profit	641.5	382.1	67.9

(Unit: THB mn)

**Cost of Goods Sold**

In FY2017, the Company and its subsidiaries had cost of goods sold (COGS) THB 3,157.3 mn represents a decrease of COGS to sales ratio 5.7% when compared to the same period of last year by process improvement in production, including depreciation decreased.

**Selling and Administrative Expenses**

In FY2017, the Company and its subsidiaries had selling and administrative expenses THB 175.1 mn represents an increase of 6.2% when compared to the same period of last year.

**Net Profit**

In FY2017, the Company and its subsidiaries had net profit THB 641.5 mn which increased THB 259.4 mn or represents an increase of net profit margin 67.9% when compared to the same period of last year regarding an increase of sales and a decrease of cost of goods sold (COGS) as mentioned.

### Statement of Financial Position

Items	As at 31 <sup>st</sup> Dec, 2017	As at 30 <sup>th</sup> Sep, 2017	+ / (-) %
Current Assets	3,118.7	2,963.3	155.4
Noncurrent Assets	2,425.3	2,522.1	(96.8)
Total Assets	5,544.0	5,485.4	(58.6)
Current Liabilities	373.6	478.4	(104.8)
Noncurrent Liabilities	72.8	67.7	5.1
Total Liabilities	446.4	546.1	(99.7)
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	5,097.6	4,939.3	(158.3)

(Unit: THB mn)

Total assets as at 31<sup>st</sup> December, 2017 was THB 5,544.0 mn. The current assets increased THB 155.4 mn from 30<sup>th</sup> September, 2017 by the increase of cash and cash equivalents regarding an increase of sales when compared to the previous quarter and inventory decreased. Noncurrent assets decreased THB 96.8 mn because of building and equipment depreciation.

Total liabilities as at 31<sup>st</sup> December, 2017 was THB 446.4 mn represents a decrease of THB 99.7 mn from 30<sup>th</sup> September, 2017 due to pay in cheque to account payable in December.

Total equities as at 31<sup>st</sup> December, 2017 was THB 5,097.6 mn represents a decrease of THB 158.3 mn from 30<sup>th</sup> September, 2017 due to paid for interim dividend.

### Cash Flow Statement

Items	As at 31 <sup>st</sup> Dec, 2017	As at 30 <sup>th</sup> Sep, 2017
Cash Flow from Operating	1,205.8	957.7
Cash Flow from Investment	(343.4)	(388.5)
Cash Flow from Financing	(427.0)	(427.0)
Net Cash Flow	1,497.9	1,207.1

(Unit : THB mn)

The Company has net cash flow as at 31<sup>st</sup> December, 2017 THB 1,497.9 mn by cash flow from operating THB 1,205.8 mn and used for investment THB 343.4 mn 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