

February 28, 2018

Subject: Management Discussion and Analysis for Year2017

To: **Managing Director**

The Stock Exchange of Thailand

The company would like to report the operation results for the company and subsidiary for the year 2017 ended 31 December 2017. The company net profit of Baht 52.83 million when compared with the same period of year 2016 posted net profit of Baht 43.60 million due to the following reasons.

1. The Company and its subsidiaries had revenue from sales and services amounted of Baht 1,910.09 million compared with the same period of year 2016 Revenue from sales and services amounted of Baht 1,599.04 million in revenue from sales and services increased by Baht 311.05 million or 19.45 percent income increase due

- 1.1 Revenues increased from leather parts for the car seat with orders from existing customers increased for the year 2017, resulting in the company's operating results for the year 2017 Sales and services totaled Baht 1,809.44 million and net profit was Baht 135.29 million increased compared with year 2016, the company had revenue from sales and services of Baht 1,428.55 million, a net profit of Baht 103.73 million.

- 1.2 Revenues from electricity distribution for this year (the first year of electricity distribution) in the amount of Baht 41.85 million and revenues from the export of woodchip in the amount of Baht 52.71 million.

2. The Company's cost of sales and services in the amount of Baht 1,591.27 million representing 83.31 percent of its revenue from sales and services. As a percentage of cost of sales and services decreased compared to the same period of last year which cost of sales and services amount of Baht 1,347.49 million or 84.27 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 for this year in the amount of Baht 238.61 million or 12.49 percent of its revenue from sales and services. Increased compared to same period which selling and administrative expenses of Baht 206.65 million or 12.92 percent. The company had an increase in selling and administrative expenses of Baht 31.96 million. As the company had higher selling and administrative expenses from leather parts for the car seat business in the amount of Baht 23.91 million and the expenses for investment in renewable energy projects are under development and the new requirement for the amendment of the Act will increase in the amount of Baht 7.31 million.

Please be informed accordingly.

Your Sincerely,

(Miss Somruetai Paithoonrangsarid)

Accounting and Finance Manager