

Ref: PLC 2018/009

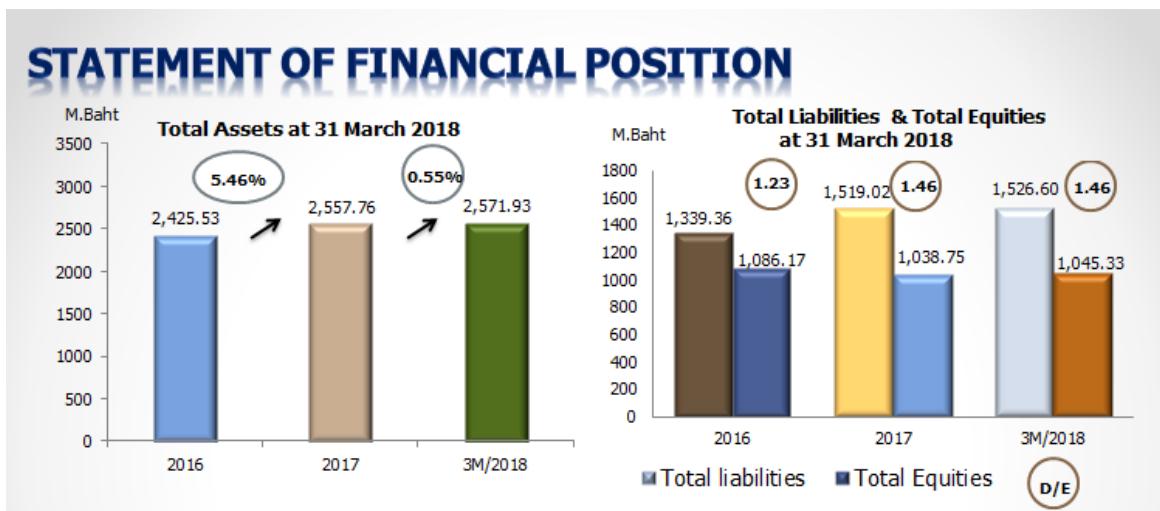
May 11, 2018

Subject: Management Discussion and Analysis Quarter 1 Ended 31-Mar-2018

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 1 ended 31 March 2018 as follows:-

Financial Position



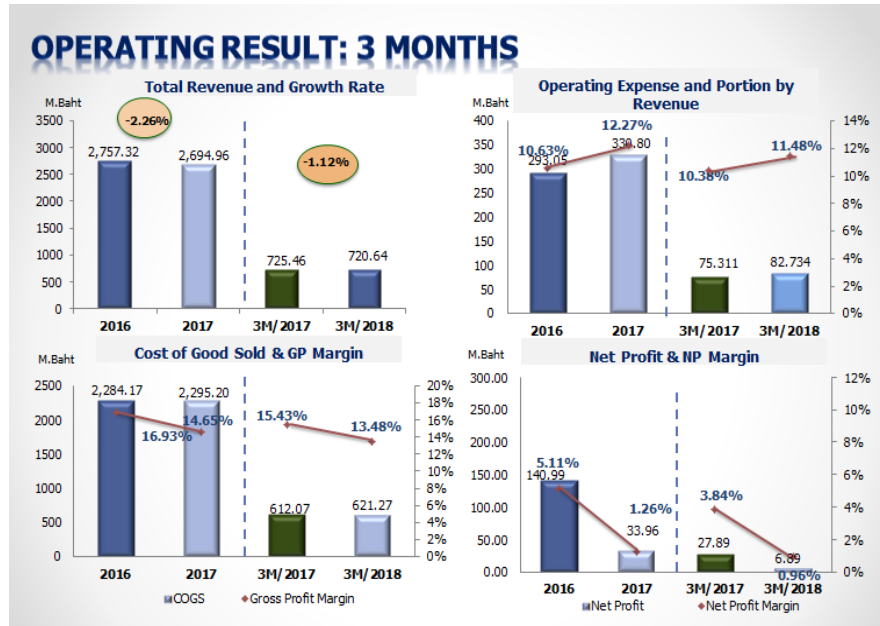
As at 31 March 2018, total assets of consolidated financial statements of the Company increased by Baht 14.17 million or 0.55% compared with last year. An increase mainly due to higher net accounts receivable of Baht 45.52 million since the Company had higher sales than the quarter 4 of year 2017. However the said customers still have the active status. Whereas cash and cash equivalent decreased Baht 31.04 million mostly from repayment of loan and some of it came from payment of fixed assets.

As of 31 March 2018 the Company had consolidated liabilities that increased from last year by Baht 7.58 million compared with last year mainly from an increase in trade accounts payable and Bank overdrafts and short-term loans from financial institution by Baht 41.56 million as a result of more purchasing of raw material to support higher sales. In addition, the Company had higher current liabilities of Baht 7.82 million which mainly caused by deposit of mold for new model. Whereas long-term loans reduced by Baht 43.37 million.

As of 31 March 2018 the Debt to Equity ratio was at 1.46 same as year ended 2017.



Operating result



For Quarter 1 ended 31 March 2018, the consolidated net profit of the Company was Baht 6.89 million decreased by Baht 21 million or 75.30% from the same period of last year. The main reasons were as follows:-

1. The consolidated sales decreased by Baht 4.90 million compare with same quarter of last year or 0.67%. This is due to the temporary slowdown in sales orders of packaging for lubricant. However, sales of plastic automotive parts customers consecutively increased since the late of last year. For sales of packaging for milk and yogurt and consumer was in steady state.
2. The consolidated gross profit margin was 13.48%, decreased from the same period of last year at 15.43% due to increase in plastic resin cost while the sales price could not be adjusted immediately. Moreover, the Company had incremental in product development expenses for plastic automotive parts and packaging customers which will result in new sales around the third quarter. In addition, the Company had higher depreciation due to the machine acquisition since the late of last year.
3. The consolidated net profit margin was 0.96%, decreased from the same period of last year at 3.84%, mainly caused by reduction in gross profit margin while selling and administrative expenses in proportional to sale increase in order to prepare resource for new model of plastic automotive parts and painting segment.

Please be informed accordingly

Sincerely yours

(Mrs. Prim Chaiyawat)
Company's Secretary