

May 15, 2018

Subject: Managing Discussion and Analysis for Q1/2018

To: **Managing Director**

The Stock Exchange of Thailand

The company would like to report to operation results for the company and subsidiary for 1<sup>st</sup> quarter of 2018 ended 31 March 2018. The company net profit of Baht 31.94 million when compared with the same period of year 2017 posted net profit of Baht 7.29 million due to the following reasons.

1. The company and its subsidiaries had revenue from sales and services amounted of Baht 478.61 million compared with the same period of year 2017 revenues from sales and services amounted of Baht 457.02 million in revenue from sales and services increased by 21.59 million or 4.72 percent income increase due

1.1 Revenue increased from leather parts for the car seat and furniture, with orders from existing customers increased in 1<sup>st</sup> quarter of 2018, resulting in the company's operation results in Q1/2018 sales and services totaled Baht 464.54 million and net profit was Baht 50.72 million increased compared to Q1/2017, the company had revenue from sales and services of Baht 390.69 million, a net profit of Baht 21.77 million. In the first quarter of 2018, the company had gain on sales of land held for sale amounting to Baht 32.02 million.

1.2 The company's income from energy business in Q1/2018 was Baht 11.07 million, decreased from Q1/2017 the company's income from energy business was Baht 63.48 million. Since Q1/2018 the company has no income from the export of wood chips due to high competition and the baht strengthened.

2. The company's cost of sales and services in the amount of Baht 410.19 million or 85.70 percent of its revenue from sales and services. The percentage of cost of sales and service income decreased compared to the same quarter of last year which presented in the amount of Baht 394.30 million or 86.28 percent. Due to lower raw material costs movies from the purchase of raw materials from suppliers directly.

3. The company's selling and administrative expense for this year in the amount of Baht 63.20 million or 13.21 percent of its revenue from sales and services. Increased compared to same period which selling and administrative expenses of Baht 56.14 million or 12.28 percent. As the company had higher selling and administrative expenses from leather parts for the car seat business and the expenses for investment in renewable energy projects are under development and the new business.

Please be informed accordingly.

Your Sincerely,

(Mr.Weerapon Chaiteerath)

Managing Director