

Ref: PLC 2018/014

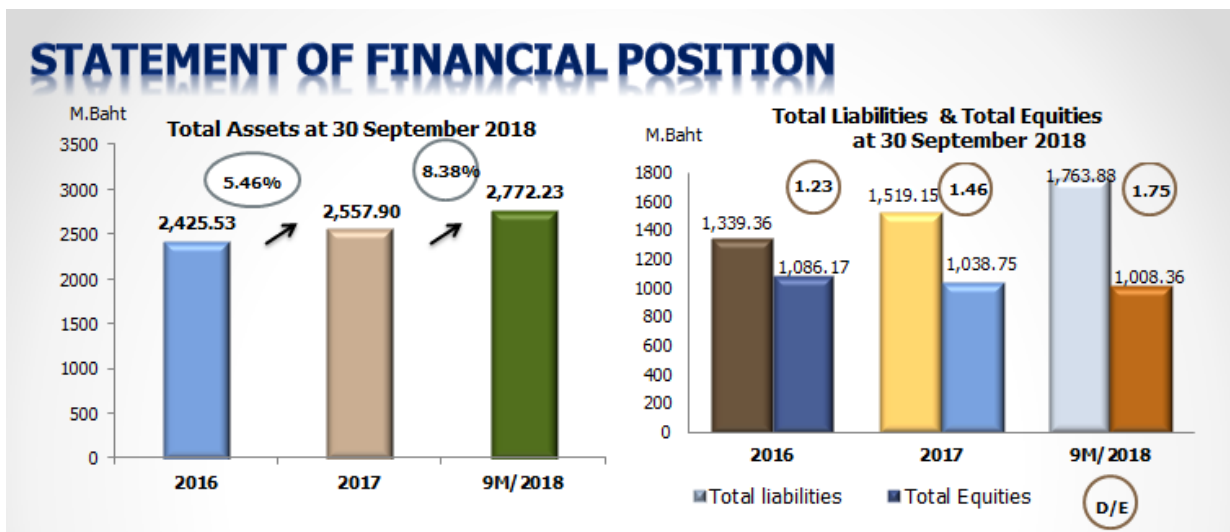
November 9, 2018

Subject: Management Discussion and Analysis Quarter 3 Ended 30-September-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 3 Ended 30- September -2018 as follows:-

Financial Position

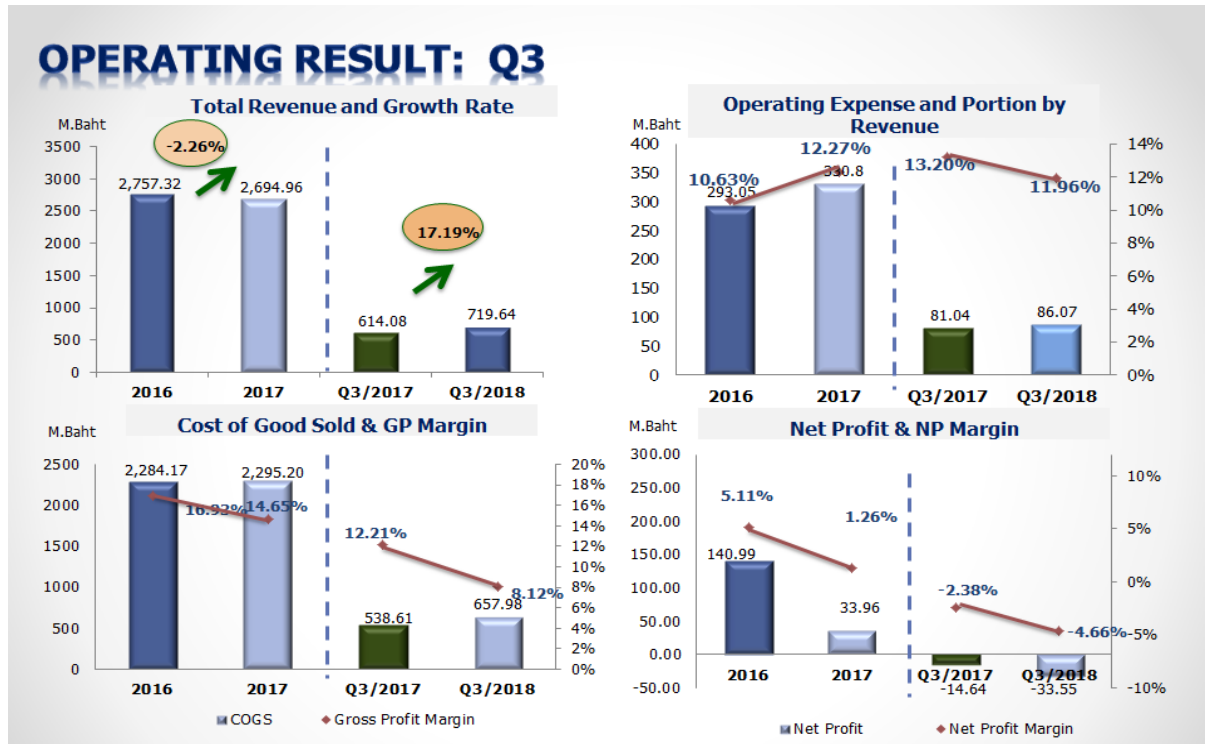


As at 30 September 2018 total assets of consolidated financial statements increased by Baht 214.33 million or 8.38% compared with last year. An increase mainly caused by trade accounts receivable of Baht 76.6 million as sales increased compared to the last quarter of last year. However, most of these accounts receivable are not overdue. Other receivables increased Baht 47.83 million mainly from deposit paid for mold of new model in automotive segment. Inventories increased Baht 27.47 million to prepare for order in the next quarter. There are also the deferred costs under turnkey contract of water plant construction amounting to Baht 35.33 million. Other non-current assets increased Baht 46.52 million largely from the deposit from purchase of fixed assets especially for new plant of Panjawattana (Jiangsu) Plastic Co., Ltd, the subsidiary.

As at 30 September 2018, the Company had consolidated liabilities increased from last year by Baht 244.73 million mainly from trade payables and short-term loans to support higher in working capital. Meanwhile, long-term liabilities decreased by Baht 88.5 million for the repayment. Moreover, deposit received for mold increased by Baht 40.03 million.



Operating result 3 months

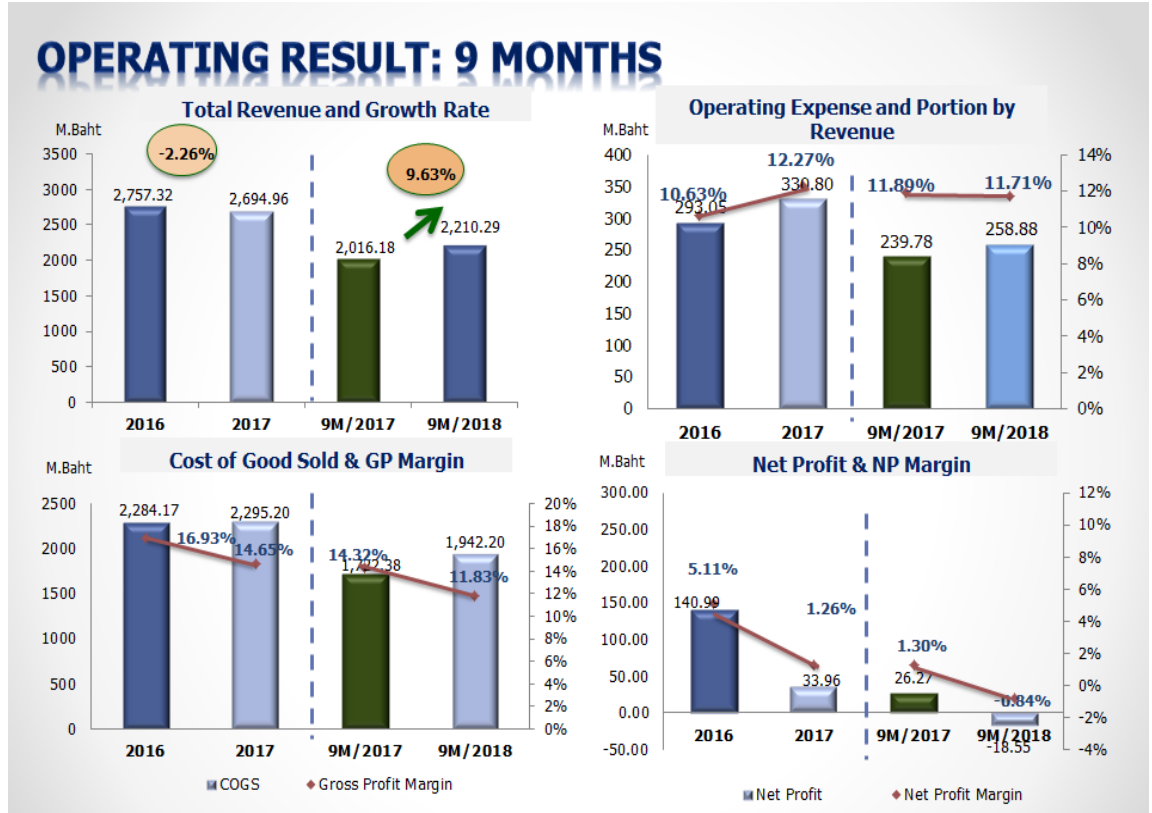


For Quarter 3 ended 30 September 2018, the consolidated net loss of the Company was Baht 33.55 million which increased by Baht 18.91 million from the same quarter of last year. The main reasons were as follows:-

1. The consolidated sales increased by Baht 105.57 million or 17.19% due to the sales of customers in the lubricant packaging and automotive parts as well as painting increased from the same quarter of last year owing to many new products have started commercial sales. Moreover, oil packaging market significantly slacked during the same quarter of last year.
2. The consolidated gross profit margin was 8.12%, decreased from the same period of last year at 12.21% due to the cost of plastic resin, which is the main raw material, was higher than the same quarter of last year, but the sell price adjustment was possible for some customers. Labor costs have increased due to the minimum wage adjustment in April. In addition, there were significantly increased in trial cost and example product cost of new model in packaging for milk and yogurt segment and also the production cost of painting segment was higher owing to production efficiency, quality cost during the early stage of new model mass production and modification cost from the delay of product development process caused by mold problems during the first three months of new model commercial sales but the problems were lately solved. In addition, sales of subsidiary in Tianjin China reduced.
3. The consolidated net loss was 4.66%, decreased from the same period of last year at net loss 2.38%, mainly caused by reduction in gross profit margin while selling and administrative expenses slightly improved.



Operating result 9 months



For the 9 month period ended 30 September 2018, the consolidated net loss of the Company was Baht 18.55 million decreased by Baht 44.82 million. The main reasons were as follows:-

1. The consolidated sales increased by Baht 194.11 million or 9.63% due to the sales of customers in the lubricant packaging and automotive parts as well as painting increased from the same period of last year owing to many new products have started commercial sales. Moreover, oil packaging market slacked during the 3rd quarter of last year.
2. The consolidated gross profit margin was 11.83%, decreased from the same period of last year at 14.32% due to the cost of plastic resin, which is the main raw material, was higher than the same quarter of last year, but the sell price adjustment was possible for some customers. Labor costs have increased due to the minimum wage adjustment in April. In addition, there were significantly increased in trial cost and example product cost of new model in packaging for milk and yogurt segment and production cost of painting segment was higher due to production efficiency, quality cost during the early stage of new model mass production and modification cost due to the delay of production development caused by mold problems during the first three months of new model commercial sales but the problems were lately solved. In addition, sales of subsidiary in Tianjin China reduced.

3. The consolidated net loss was 0.84%, decreased from the same period of last year at net profit 1.30%, mainly caused by reduction in gross profit margin while selling and administrative expenses still stable.

Please be informed accordingly

Sincerely yours

(Mrs. Prim Chaiyawat)

Company's Secretary