

Ref: PCL 2019/008

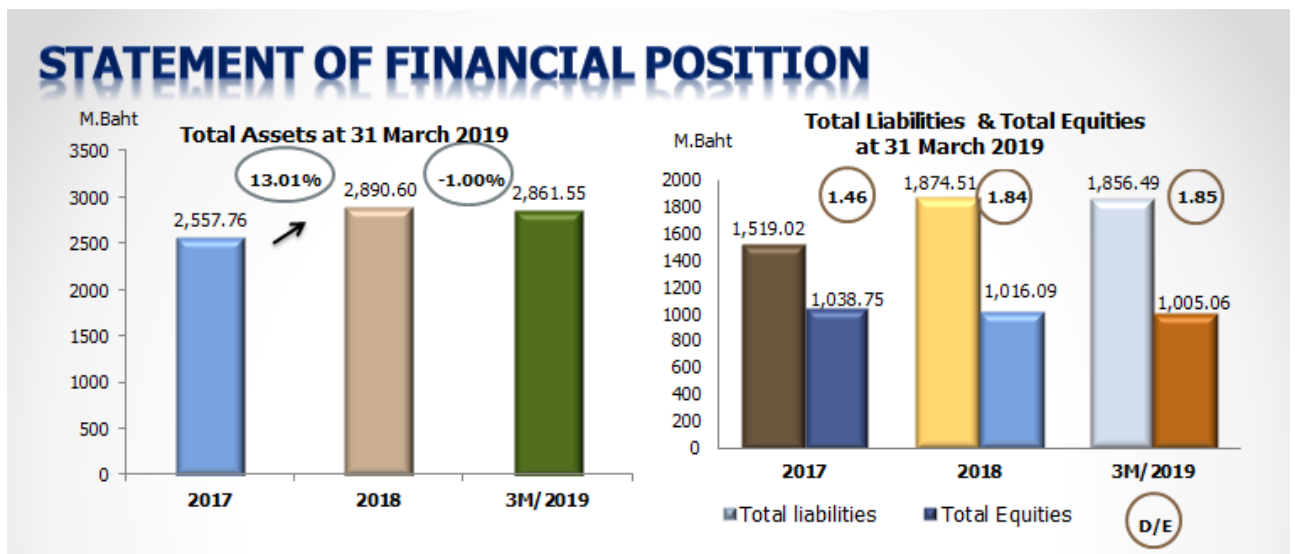
May 8, 2019

Subject: Management Discussion and Analysis Quarterly Ended 31 March 2019

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 the quarter 1 ended 31 March 2019 as follows:-

Financial Position

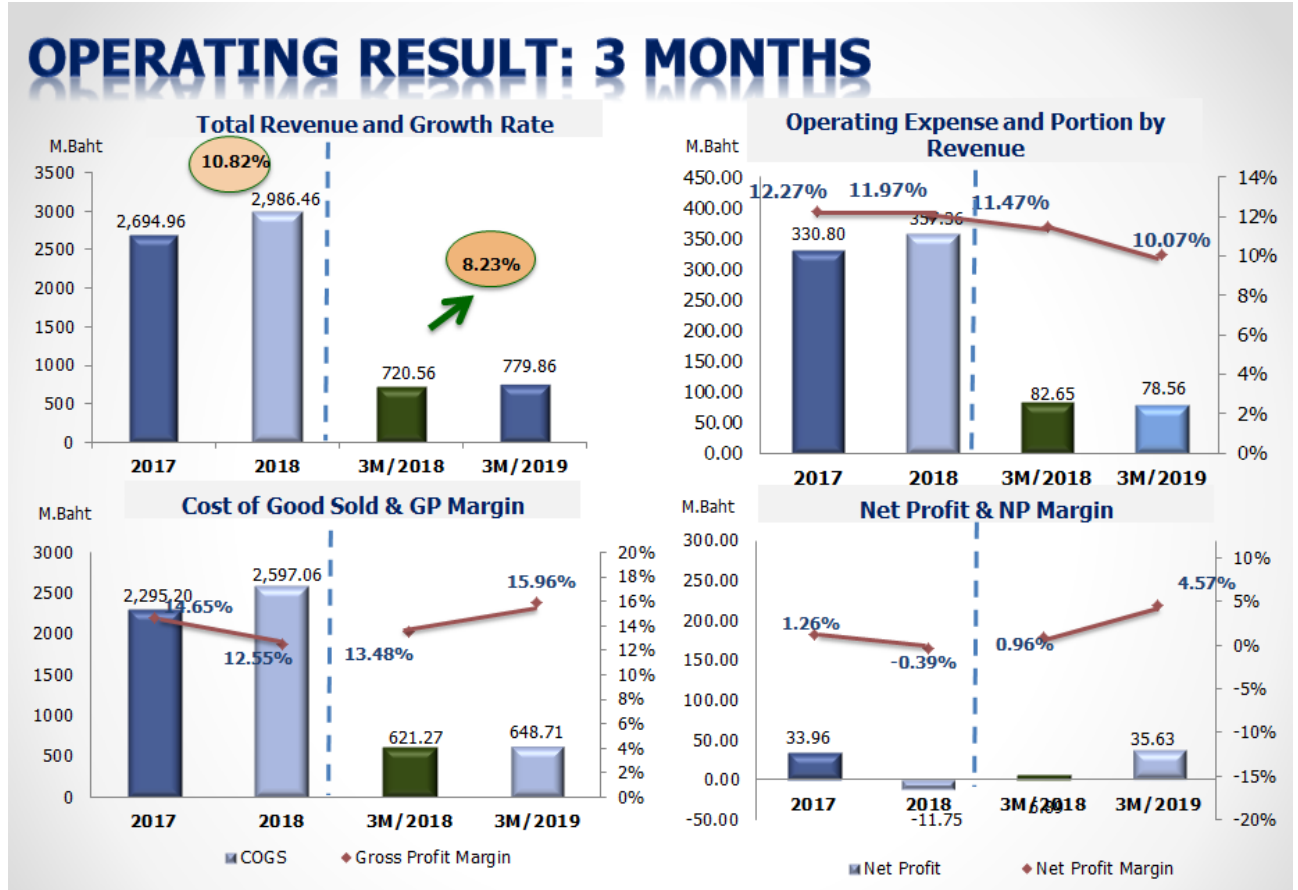


As at 31 March 2019, total consolidated assets of the Company and its subsidiary decreased by Baht 29.05 million or 1.00% compared with last year, mostly due to a decrease in cash and cash equivalents of Baht 59.68 million resulting from dividend payment in February. Inventory decreased by Baht 9.66 million. Other assets decreased by Baht 14.76 million from deposit payment for fixed assets that were received and transferred to fixed assets. Meanwhile, net plant and equipment increased by Baht 49.62 million from building under construction at Chonburi branch to support business expansion and investment for production line improvement of spray painting factory. In addition, there was addition of advance payment for project assets of Baht 5.43 million.

As at 31 March 2019, the consolidated liabilities of the Company and its subsidiary decreased by Baht 18.02 million compare with last year mainly resulting from decreasing in long-term loan of Baht 36.74 million. While trade accounts payable, overdraft and other liabilities increased by Baht 18.72 million baht due to the purchase of more raw materials to support sales. As at 31 March 2019, the consolidated debt to equity ratio was 1.85 times.



Operating result



For quarter 1 ended 31 March 2019, the consolidated net profit of the Company and its subsidiary was Baht 35.63 million, increased by Baht 28.75 million. The main reasons were as follows:-

1. The consolidated revenue increased by Baht 59.30 million or 8.23% because many new products started commercial sales since late of year 2018 particularly sales of spray painting, automotive parts and packaging for milk and yogurt segment. However, sales of packaging for lubricant and consumer product slightly declined from saturated demand of such products.
2. The consolidated gross profit margin was 15.96%, increased from last year at 13.48% due to the Company had higher capacity utilization rate and had better cost management. In addition, the product development expense has considerably decreased since many new products already started commercial sales since late of year 2018.
3. The consolidated net profit margin was 4.57%, increased from last year at 0.96%, mostly caused by the incremental in gross profit margin while selling and administrative expenses in proportional to sale decreased from sales growth.

Please be informed accordingly

Sincerely yours



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(Mrs. Prim Chaiyawat)

Company's Secretary