

Ref: PLC 2019/009

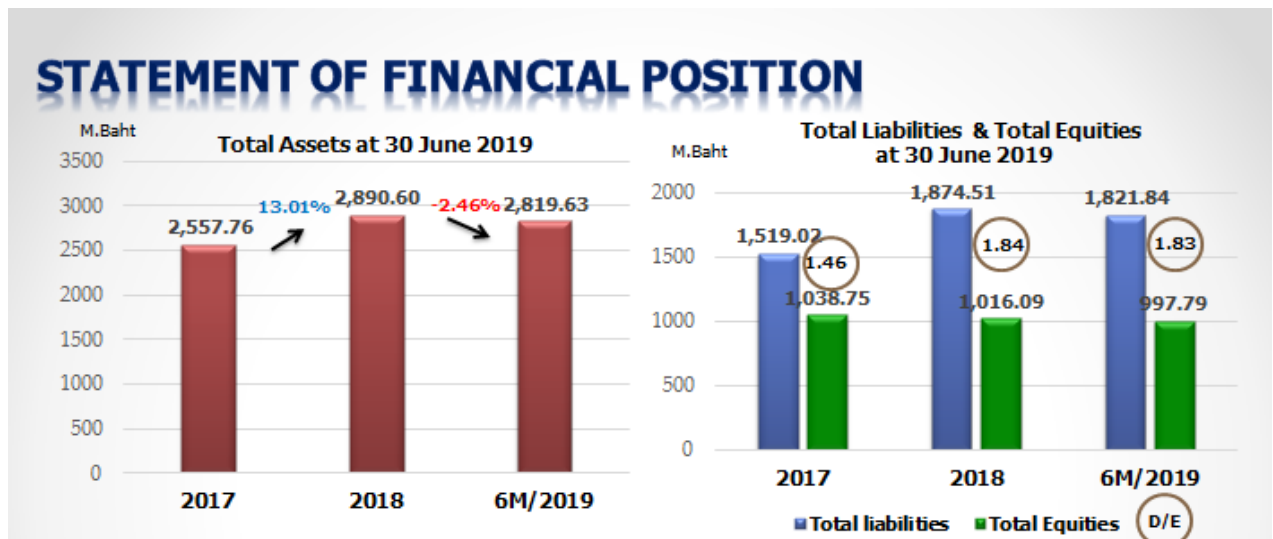
August 8, 2019

Subject: Management Discussion and Analysis Quarter 2 Ended 30-June-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 Quarter 2 Ended 30-June-2019 as follows:-

**Financial Position**



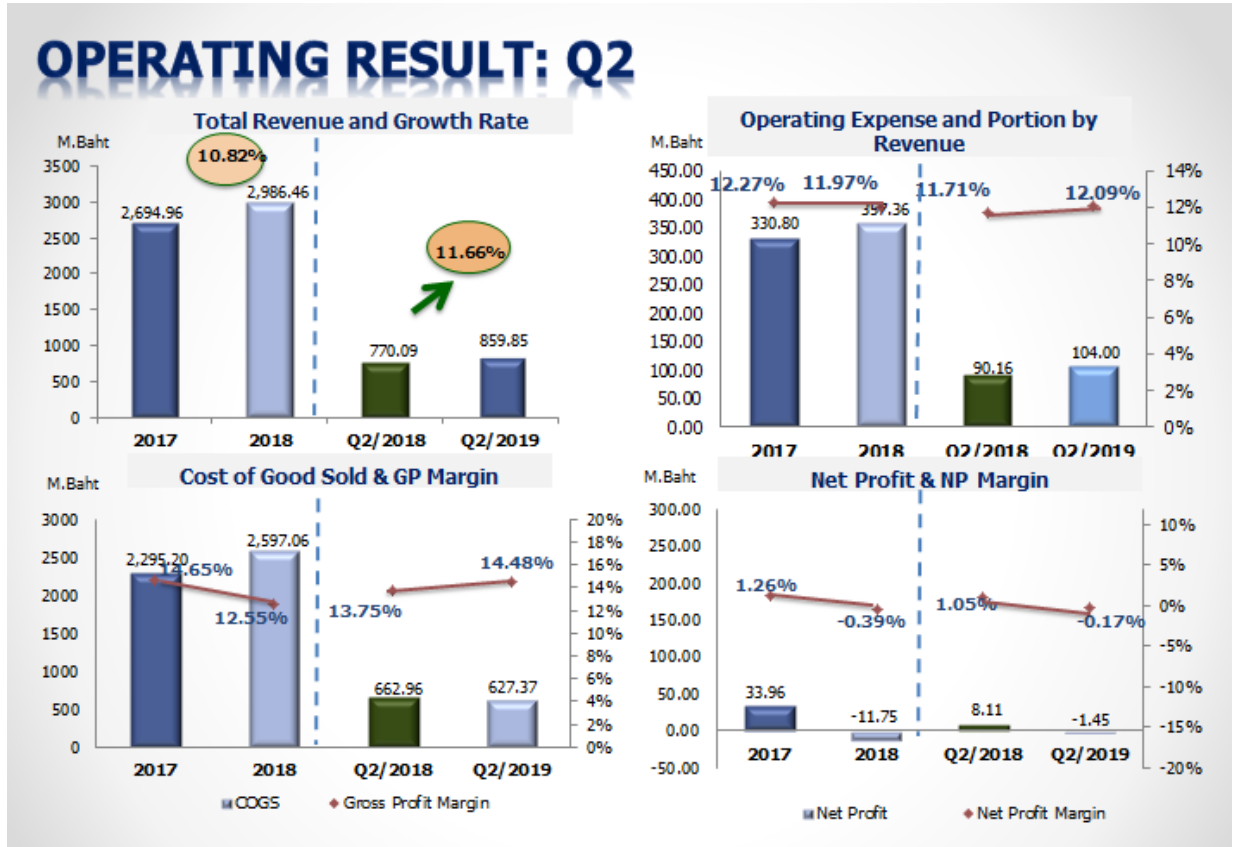
As at 30 June 2019 total assets of consolidated financial statements decreased by Baht 70.97 million or 2.46% compared with last year. A decrease mainly caused by trade accounts receivable of Baht 54.17 million. Decrease in cash and cash equivalent decreased Baht 97.38 million mostly for purchase of fixed assets. In Thailand, the company invested new medium booth to support new customer orders which will launch to commercial in the 2<sup>nd</sup> half of year. In addition, the company invested in warehouse to support business expansion and to partially reduce rental expense. In Jiangsu China, the company purchased machine and equipment to support commercial sales as planned.

As at 30 June 2019, the Company had consolidated liabilities decreased from last year by Baht 52.67 million mostly due to long-term loan. Revenue received in advance for project decreased 31.03 million due to recognize to revenue in percentage of completion basis. Short-term loans and trade and other payables increased by Baht 44 million.

the Company's debt to equity ratio as at 30 June 2019 is 1.83 times (as at 31 December 2018 is 1.84 times)



**Operating result 3 months**

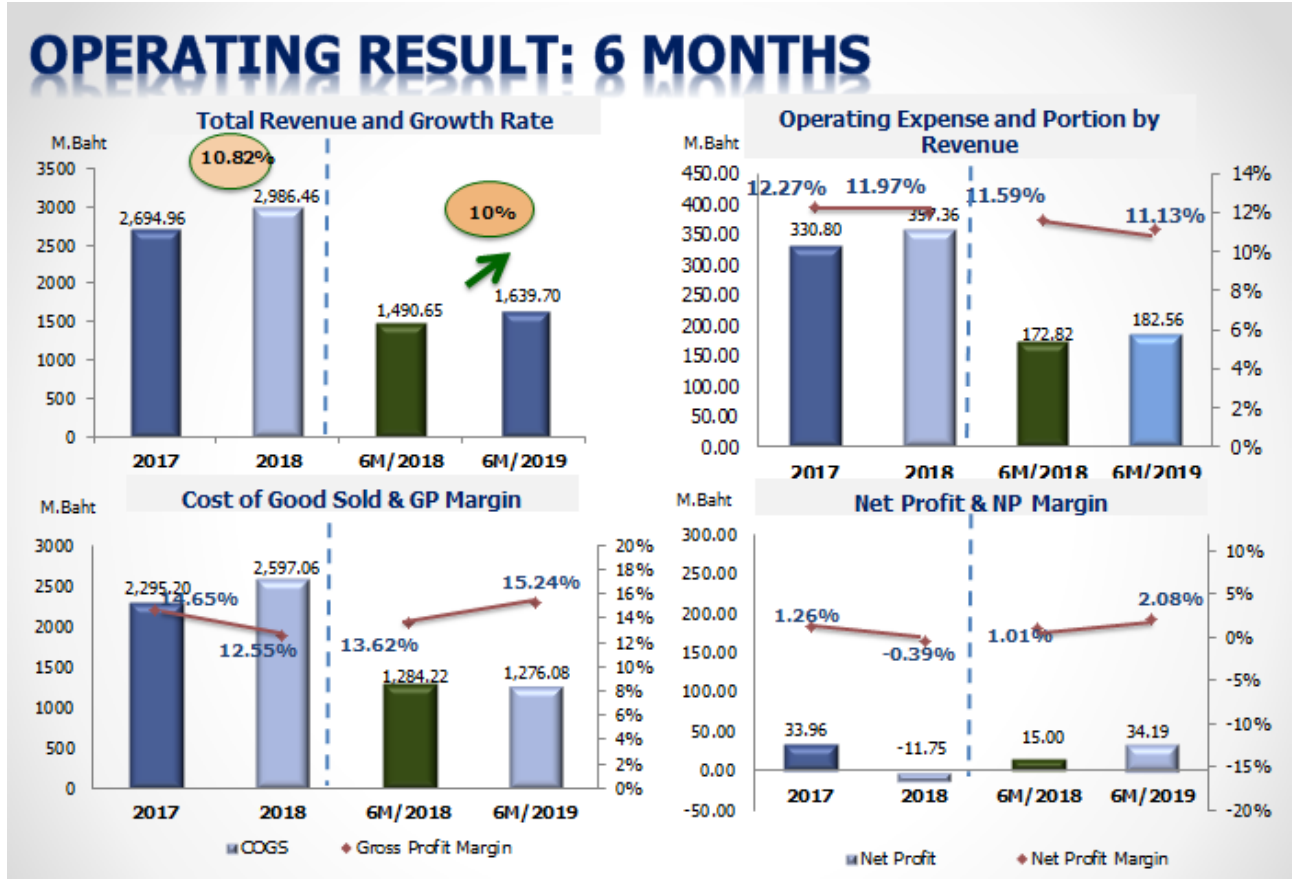


For Quarter 2 ended 30 June 2019, the consolidated net loss of the Company was Baht 1.45 million decreased by Baht 9.56 million. The main reasons were as follows:-

1. The consolidated sales increased by Baht 89.76 million or 11.66%. The company recognized project income of Baht 123.28 million in percentage of completion basis. However, sales of product reduced by baht 35.03 million mainly from the lubricant packaging industry customers which in the line with the weakening economy in the second quarter.
2. The consolidated gross profit margin was 14.48%, increased from the same period of last year at 13.75% as the company implemented better production cost control for new products of automotive parts and milk and yogurt packaging segment that could cause an improvement in production efficiency and could reduce waste and loss.
3. The consolidated net loss was 0.17%, decreased from the same period of last year at net profit 1.05%, mainly caused by the Company recognized employee benefit from changing post-employment plan in expense of Baht 11.47 million during the period (net of tax). In addition, in Quarter 2 the Company had a loss of Baht 6.5 million from settlement agreement with a plastic molding subcontractor and the Company had an increase in loss from painting plant approximately 5 million from trial cost of new model.



**Operating result 6 months**



For the 6-month period ended 30 June 2019, the consolidated net profit of the Company was Baht 34.19 million increased by Baht 19.19 million. The main reasons were as follows:-

1. The consolidated sales increased by Baht 149.06 million or 10% due to the sales of customers in the automotive parts, painting and packaging for milk and yogurt increase from same quarter of last year as many new products have started commercial sales. In addition, the company recognized project income of Baht 123.28 million in percentage of completion basis.
2. The consolidated gross profit margin was 15.24%, increased from the same period of last year at 13.62% as the company implemented better production cost control for new products that could cause an improvement in production efficiency and could reduce loss in many aspects.
3. The consolidated net profit was 2.08%, increased from the same period of last year at net profit 1.01%, mainly caused by increased in gross profit margin. The Company recognized employee benefit from changing post-employment plan in expense of Baht 11.47 million during Quarter 2. While selling and administrative expenses in proportional to sale still stable.



Panjawattana Plastic PCL.  
28 Moo 2, Tumbol Chaimongkol,  
Amphur Muang, Samutsakhon 74000  
Registration No. 0107554000208  
Tel. (66) 02-150-5988, (66) 0-3483-9130-1  
Fax. (66) 02-150-5987, (66) 0-3483-9320

Please be informed accordingly

Sincerely yours

(Mrs. Prim Chaiyawat)

Company's Secretary