

Ref: PLC 2019/011

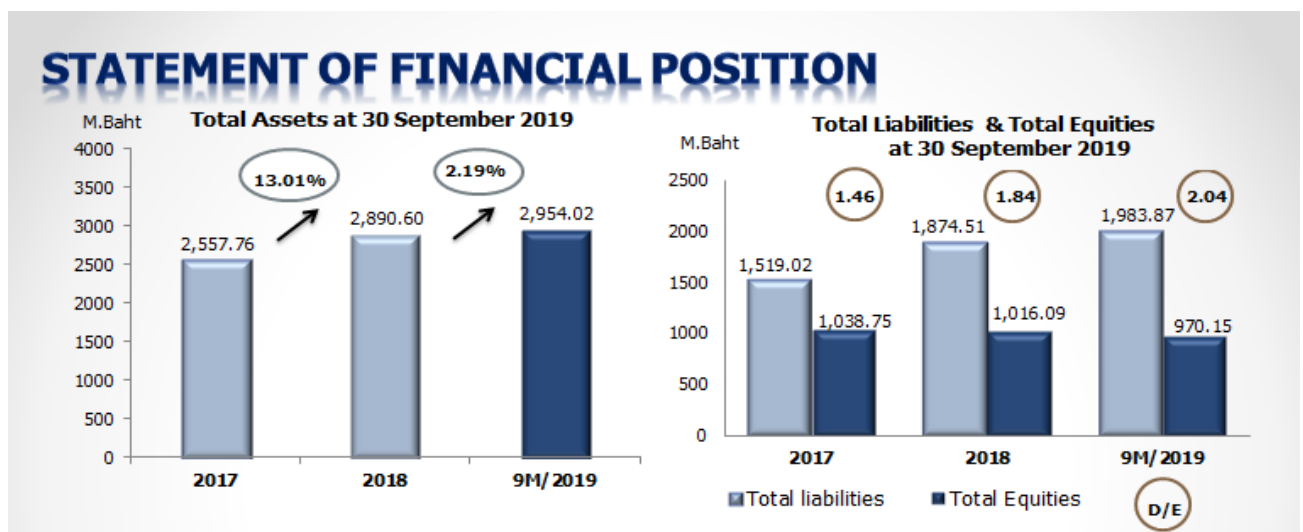
November 13, 2019

Subject: Management Discussion and Analysis Quarter 3 Ended 30 September 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 3 Ended 30 September 2019 as follows:-

Financial Position



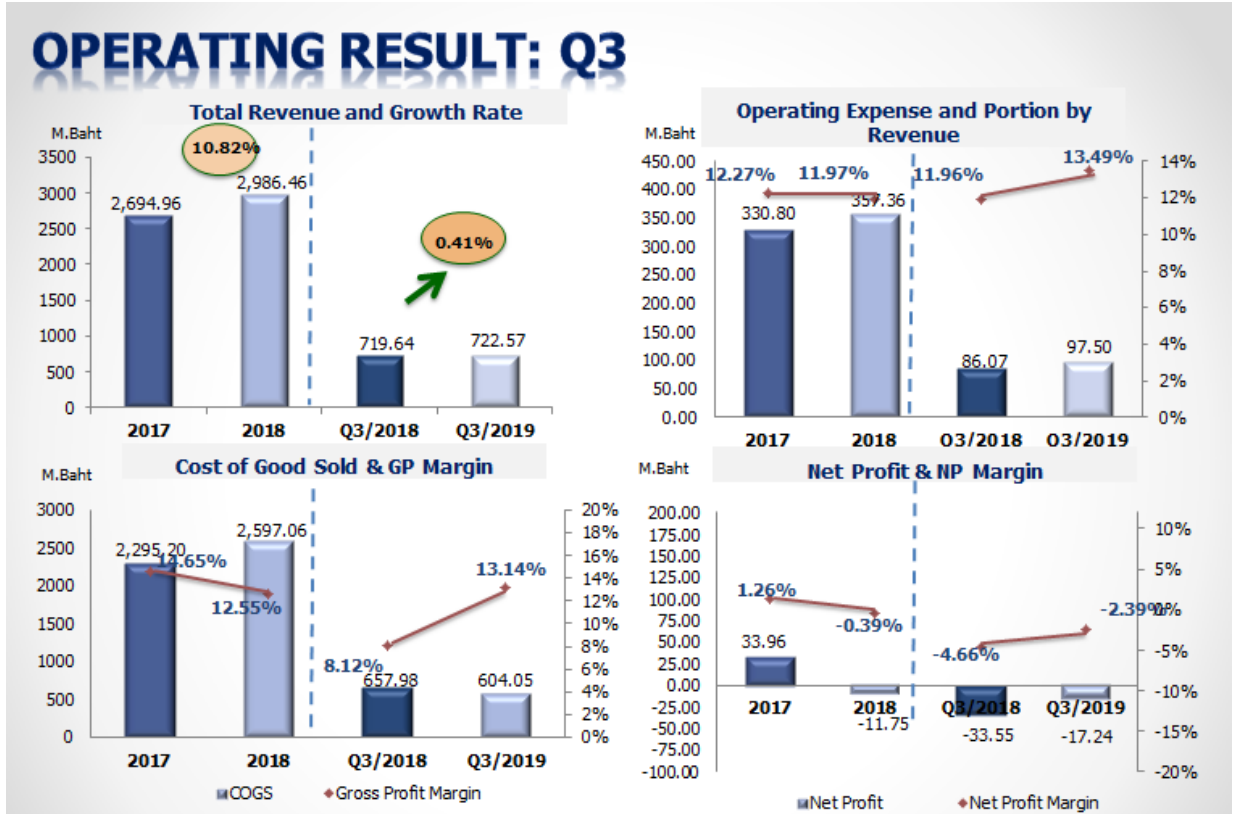
As at 30 September 2019 total assets of consolidated financial statements increased by Baht 63.42 million or 2.19% compared with last year. Most of the increase was from non-current assets in the amount of Baht 104.93 million, resulting from fixed assets increased by Baht 85.47 million due to the investment in a medium-sized booth of the painting segment to support the new orders, the building of owned warehouse at Chonburi branch to support business expansion and to reduce some of the rental costs. In addition, the company invested in machinery and equipment for a new branch in Jiangsu, China. While current assets decreased by Baht 41.50 million, which most of it was the decrease in cash and cash equivalents to pay dividends during the year of Baht 45.93 million.

As of 30 September 2019, the total liabilities of consolidated financial statements increased Baht 109.36 million from the previous year which was the current liabilities increased by Baht 95.37 million and non-current liabilities increased by Baht 13.99 million.

The Company's debt to equity ratio as at 30 September 2019 is 2.04 times (as at 31 December 2018 is 1.84 times)



Operating result 3 months

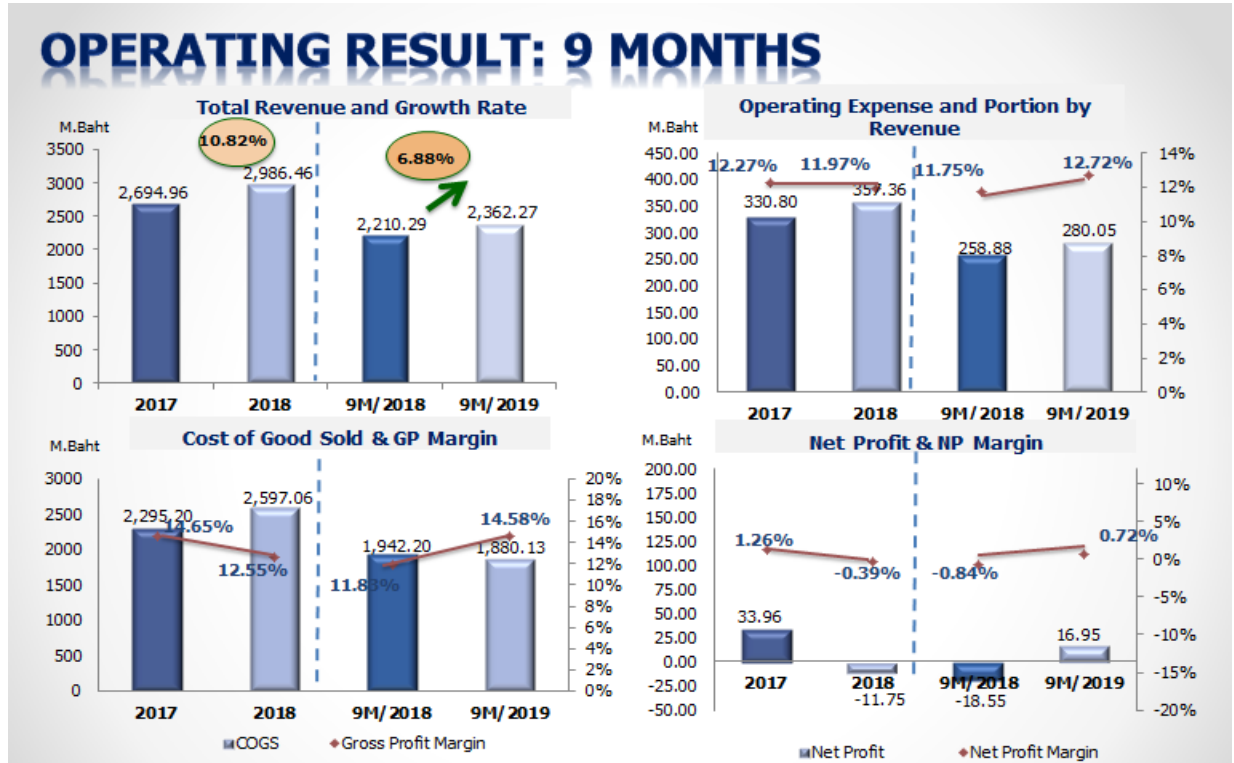


For Quarter 3 ended 30 September 2019, the consolidated net loss of the Company was Baht 17.24 million. Losses decreased by Baht 16.31 million. The main reasons were as follows:-

1. The consolidated sales increased by Baht 2.92 million or 0.41% due to the revenue of lubricant packaging group shrank caused by the economic conditions. However, sales of customers in the packaging for milk and yogurt, Automotive parts and Spray Painting have increased due to commercially released of the new products. Therefore, the overall sales figure of the quarter remains stable.
2. The consolidated gross profit margin was 13.14%, increased from the same period of last year at 8.12%. The company has better control of the production cost especially in the automotive parts, milk and yogurt packaging segments. As a result, the production process became more efficient and losses were reduced. But there was still a temporary loss during the early stage of the commercial sales of the new product in the Jiangsu factory and the painting segment around Baht 12.6 million and Baht 13.3 million respectively. Such losses would be last 2-3 months after starting commercial sales. Therefore, the gross margin was behind the target.
3. The consolidated net loss was 2.39%, decreased from the same period of last year at net profit 4.66%, because the gross profit margin improved from the same period last year. But the Company still have a temporary loss during the early stage of the commercial sales of the new product as mentioned earlier. The ratio of selling and administrative expenses to total sales was stable.



Operating result 9 months



For the 9-month period ended 30 September 2019, the consolidated net profit of the Company was Baht 16.95 million increased by Baht 35.50 million. The main reasons were as follows:-

1. The consolidated sales increased by Baht 151.98 million or 6.88% 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 152 million in percentage of completion basis.
2. The consolidated gross profit margin was 14.58%, increased from the same period of last year at 11.83% 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 0.72%, increased from the same period of last year at net loss 0.84%, mainly caused by increased gross profit margin. The Company recognized employee benefit from changing post-employment plan in expense of Baht 11.47 million during Quarter 2. In addition, in Quarter 3, there was temporary losses during the early stage of the commercial sales of the new product in the Jiangsu factory and the painting segment around Baht 12.6 million and Baht 13.3 million respectively. Such losses would be last 2-3 months after starting commercial sales. Moreover, financial costs increased due to increase in loans for new projects such as the investment in a medium-sized booth of the painting segment, new warehouse, new machinery and equipment for Jiangsu, China. While selling and administrative expenses in proportional to sale remain 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