

Ref: PCL 2016/012

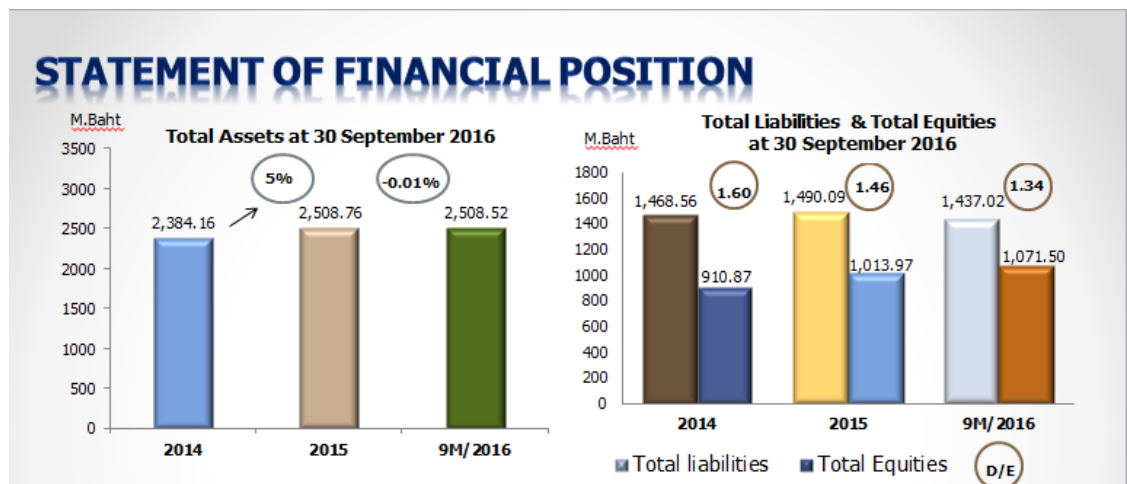
November 10, 2016

Subject: Management Discussion and Analysis Quarter 3 Ended 30-September-2016

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 nine-month period ended 30 September 2016 as follows:-

**Financial Position**



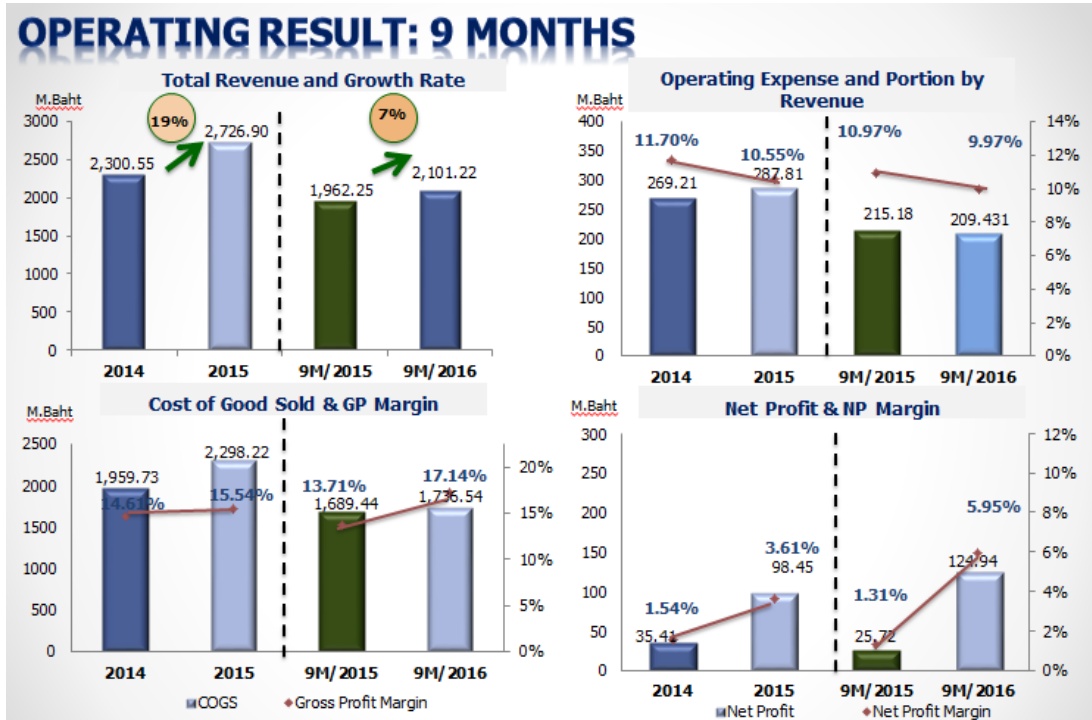
As at 30 September 2016, total assets of consolidated financial statements of the Company had a slightly decrease of Baht 0.24 million or 0.01%, compared with last year, mainly from the reduction in cash and cash equivalents due to the dividend payment. Nevertheless, in this quarter, net trade accounts receivable was increased by Baht 93.24 million or 18.4%, compared with last year, mainly caused by an increasing in packaging trade accounts receivable whom contracts had been renewed last quarter which resulting in the delayed payments of those customers. However, the said customers still have the active status and can make the payment to the Company.

As of 30 September 2016, the Company had consolidated liabilities that decreased from last year of Baht 53.07 million mainly from the repayment of short term loan from other individual of Baht 90 million and a decrease in bank overdrafts and short term loan of Baht 40.17 million. However, long term loan was increased by Baht 103.5 million due to an increase in long term loan by Baht 205.45 million in order to reduce the use of bank overdrafts and short-term loans whereas the repayment of long term loan was Baht 103.95 million.

As of 30 September 2016, total debt to total equity of the Company and its subsidiaries equals to 1.34 decreased from last year by 0.1.



**Operating result**



For the period of 9 month ended 30 September 2016, the consolidated net profit of the Company was Baht 124.94 million, increased by Baht 99.22 million, or 385.76% from the same period of last year. The main reasons for an increase in operating profit were as follows:-

1. The consolidated sales increased Baht 138.97 million, 7.08% due to an increase in sales of packaging for milk and yogurt packaging, lubricant packaging, and new model of plastic automotive parts that risen significantly this period.
2. The consolidated gross profit margin (GP) was 17.14%, an increase from the same period of last year at 13.71% due to sales growth that resulting in a better productivity and lower cost per unit. In addition, the painting part business unit had decreased in loss from operation due to cost and defect control that deem to be better from last year.
3. The consolidated net profit margin (NP) was 5.95%, an increase from the same period of last year at 1.31%, due to an increase in GP and due to the significant sales growth in this period that resulted in the reduction of selling and administrative expenses in proportional to sale, and the painting part business unit also had a decreasing in loss from operation.

Please be informed accordingly

Sincerely yours

(Mrs. Prim Chaiyawat)

Company's Secretary