

(Translation)

November 9, 2017

Subject : Management Discussion and Analysis of Quarter 3 ended 30 September 2017.

Attention : Director and Manager of the Stock Exchange of Thailand

Thanulux Public Company Limited would like to clarify the performance of the Company and its subsidiaries. As shown in Comprehensive Income Statement of the Third Quarter ended 30 September 2017, the Company and its subsidiaries net sales of Baht 460.92 million, decreases Baht 45.82 million or 9.04 percent from the same period of 2016, with net profit of Baht 32.20 million, decreases Baht 26.57 million or 45.20 percent from the same period of 2016.

For 9 months period operating result ended 30 September 2017, the Company and its subsidiaries net sales of Baht 1,383.01 million, decreases Baht 112.04 million or 7.50 percent from the same period of 2016, with net profit of Baht 119.56 million, decreases Baht 44.59 million or 27.16 percent from the same period of 2016. The reasons are as follow:

1. Baht 112.04 million decrease of sales equivalent to 7.50 percent due to
 - 1.1 Domestic sales, apparel market was slow down as most Thai people dressed in polite tone during recent period, plus consumer's frugality behavior, resulting in decrease of domestic sales comparing to same period of 2016.
 - 1.2 Export sales, due to foreign customers delay the order and Baht appreciation comparing to Euro, US Dollars and Yen.
2. In 2017, cost of goods sold of 71.20 percent increases 2.58 percent from 68.62 percent in 2016, due to decrease in sales quantity and partly from Thai Baht appreciation compared to EURO and Yen.
3. Decrease of sales proportion of products with high gross margin, resulting in decrease of gross margin.

The Company and its subsidiaries are able to manage selling and administrative expenses effectively. In addition, overall financial standing and liquidity are satisfactory and stable.

Please kindly acknowledge and publicize accordingly.

Faithfully Yours,

Supotch Pakaworawuth, Dusadee Soontrontumrong

(Mr. Supotch Pakaworawuth, Ms. Dusadee Soontrontumrong)

Managing Director, Deputy Managing Director and CFO