

(Translation)

February 20, 2018

Subject : Management Discussion and Analysis on operating result for the year 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 for the year 2017 ended on 31 December 2017, the Company and its subsidiaries net sales was Baht 1,858.68 million, decreases Baht 150.08 million or 7.47 percent from the same period of 2016, with net profit of Baht 152.11 million, decreases Baht 53.19 million or 25.91 percent from the same period of 2016. The reasons are as follow:

1. Decrease of sales at the amount of Baht 150.08 million or 7.47 percent due to

1.1 Domestic sales decreased 3.00 percent

Due to unrecovered domestic economic situation caused the customers to be more cautious in spending. Plus changes in consumer behavior resulting in higher competition in line with distribution channels which become more various.

1.2 Export sales decreased 15.98 percent

- Orders: Foreign customers delay the order as a result of their domestic economic situation and some customers shifted their production bases.

- Exchange rate: Baht appreciation comparing to Euro, US Dollars and Japanese Yen.

2. Proportion of cost of goods sold to sales revenue in 2017 was 71.02 percent, increased 1.51 percent compared to 69.51 percent in 2016 due to decrease in sales quantity and high price competition, including Baht appreciation comparing to Euro, US Dollars and Japanese 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,

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Managing Director, Deputy Managing Director and CFO