

February 28, 2017

Subject : Submission of the Management Discussion and Analysis for the year ended December 31, 2016,
the changed performance was over 20 percent

Attn : The President,
The Stock Exchange of Thailand

The consolidated financial statement of the Company for the year ending December 31, 2016 (Financial Statements of this year), compared with the consolidated financial statement of the period from July 1, 2015 to December 31, 2015 (Financial Statements of last year) which is the comparison of the period of 1 year and 6 months, resulted from last year the Company has changed the fiscal year from July 1, 2015 to June 30, 2015 to be January 1, 2016 to December 31, 2016. Thus, for the benefit of users in comparing of the financial statement, the Company will compare the same fiscal year by separating into 2 periods;

- 1 year period : from January 1, 2016 to December 31, 2016 compared with January 1, 2015 to December 31, 2015
- 6 months period : from July 1, 2016 to December 31, 2016 compared with July 1, 2015 to December 31, 2015

The Company has submitted the consolidated financial statements for the year ended December 31, 2016, the Company's operating results has net loss by Baht 31 million, compared with the same period of last year the Company has net profit Baht 13 million. Net profit has been changed over 20 percent. The Company's operating results for the period, from July 1, 2016 to December 31, 2016, the consolidated financial statements of the Company has net profit Baht 25 million, compared with the same period of last year the Company has net profit Baht 57 million. Net profit has been changed over 20 percent.

The Company would like to clarify the management discussion and analysis for the year ended December 31, 2016 and for period from July 1, 2016 to December 31, 2016, as the following :-

1. Operating Results

Statements of Comprehensive Income for the year ended December 31, 2016 and December 31, 2015

Consolidated F/S	For Year Ended January 1- December 31, 2016		For Year Ended January 1- December 31, 2015		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Sales and Services - Net	1,829	96%	1,655	93%	174	11%
Export Sales and Services - Net	74	4%	129	7%	(55)	(43%)
Total Revenues	1,903	100%	1,784	100%	119	7%
Domestic Costs of Sales and Services	1,407		1,297		110	8%
Export Costs of Sales and Services	65		121		(56)	(46%)
Total Costs of Sales and Services	1,472	77%	1,418	79%	54	4%
Domestic Gross Income	422		358		64	18%
Export Gross Income	9		8		1	13%
Total Gross Income	431	23%	366	21%	65	18%
Other Income	74	4%	62	3%	12	19%
Selling and Administrative Expenses	(569)	(30%)	(458)	(26%)	111	24%
Income from Operations	(64)	(3%)	(30)	(2%)	34	113%
Equity in Net Income of Associated Companies	70	4%	48	3%	22	46%
Financial Costs	(37)	(2%)	(1)	(0%)	36	3,600%
Income before Income Tax	(31)	(2%)	17	1%	(48)	(282%)
Income Tax	(3)	(0.2%)	(3)	(0.2%)	0	0%
Non - Controlling Interests in Subsidiaries	3	1%	(1)	(0.1%)	4	400%
Net Profit of the Company's Shareholders	(31)	(1.6 %)	13	1%	(44)	(338%)
Net Profit of the Company's per Share (Baht)	0.052		0.022		(0.07)	(338%)

Statements of Comprehensive Income for the period July 1, 2016 to December 31, 2016

Consolidated F/S	Six months period July 1- December 31,2016		Six months period July 1- December 31,2015		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Domestic Sales and Services - Net	987	95%	914	92%	73	8%
Export Sales and Services - Net	49	5%	76	8%	(27)	(36%)
Total Revenues	1,036	100%	990	100%	46	5%
Domestic Costs of Sales and Services	758		690		68	10%
Export Costs of Sales and Services	43		69		(26)	(38%)
Total Costs of Sales and Services	801	77%	759	77%	42	6%
Domestic Gross Income	229		224		5	2%
Export Gross Income	6		7		(1)	(14%)
Total Gross Income	235	23%	231	23%	4	2%
Other Income	53	5%	41	4%	12	29%
Selling and Administrative Expenses	(273)	(26%)	(236)	(24%)	37	16%
Income from Operations	15	(1%)	36	4%	(21)	(58%)
Equity in Net Income of Associated Companies	31	3%	28	3%	3	11%
Financial Costs	(22)	(2%)	(1)	0%	21	2100%
Income before Income Tax	24	2%	63	6%	(39)	(62%)
Income Tax	(1)	(0.1%)	(3)	0%	2	33%
Non - Controlling Interests in Subsidiaries	2	(0.2%)	(3)	0%	5	100%
Net Profit of the Company's Shareholders	25	2%	57	6%	(32)	(56%)
Net Profit of the Company's per Share (Baht)	0.042		0.096		(0.05)	(56%)

1.1 Analysis of Operating Results

For the fiscal year ended December 31, 2016, the consolidated financial statements of the Company's total revenues amounted to Baht 1,903 million, increased by Baht 119 million or 7 percent from previous year. This was due to the increase of domestic sales of furniture, "Lucky" Hi-Tech building system and construction services, mostly increased from the domestic project sales of furniture and construction service. However, the Company still has the action plans of human resources development in marketing and production, as well to increase of new products to response the customer's needs and to increase the sales. The Company also expanded the investment to renewable energy business to generate the stable income for the future, thus the revenues should be increased accordingly.

For the fiscal year from July 1, 2016 to December 31, 2016, the consolidated financial statement of the Company's total revenues was Baht 1,036 million, increased by Baht 46 million or 5% from the same period of last year. This was resulted from the increased of domestic sales of "Lucky" Hi-Tech building system and construction services.

Total Revenues

The consolidated financial statements of the Company's total revenues for 1 year period ending December 31, 2016, total revenue was Baht 1,903 million, increased by Baht 119 million or 7 percent from the same period of last year. This was mainly resulted from the increase of domestic project sales of furniture and construction services. Total revenues for the 1 year period ending December 31, 2016 was as the followings;

- Domestic sales and services of furniture, "Lucky" Hi-tech Building System, and flood protection wall amounted to Baht 1,685 million, increased by Baht 104 million or 6 percent from last year. This was due to the domestic project sales of furniture and "Lucky" Hi-tech Building System.
- Export sales and services of furniture, and "Lucky" Hi-tech Building System amounted to Baht 74 million, decreased by Baht 55 million or 43 percent from last year. This was resulted from the export sales of "Lucky" Hi-tech Building System.
- Revenue from domestic construction services amounted Baht 144 million, increased by Baht 70 million from last year.

The fiscal year from July 1, 2016 to December 31, 2016, the consolidated financial statement of the Company's total revenues was Baht 1,036 million, increased by Baht 46 million or 5% from the same period of last year. This was resulted from the domestic project sales of furniture and domestic sales of "Lucky" Hi-Tech building system. Total revenues of the fiscal year from July 1, 2016 to December 31, 2015 was as the following;

- Revenues from domestic sales and services of furniture, "Lucky" Hi-tech Building System, and flood protection wall amounted Baht 919 million, increased by Baht 58 million or 7 percent from last year. This was resulted from the domestic project sales of furniture and domestic sales of "Lucky" Hi-tech Building System.

- Revenue from export sales and services of furniture, and “Lucky” Hi-tech Building System, amounted Baht 49 million, decreased by Baht 27 million or 36 percent from last year. This was resulted from the export sales of “Lucky” Hi-Tech Building System.
- Revenue from domestic construction services amounted Baht 68 million, increased by Baht 15 million at the same period of last year.

Other Income

The consolidated financial statements of the Company’s other income for the 1 year period ending at December 31, 2016 was Baht 74 million, increased by Baht 12 million or 19 percent from last year mostly resulted from the subsidy from the Japanese Government; the Ministry of Environment for the amount of Baht 42 million under the JCM (Joint Crediting Mechanism) Project to install solar rooftop on the roof of the Company’s building & factory to reduce greenhouse gas. This project has been implemented and already generated electricity. Carbon credit from this project will be transferred to the Japanese Government for compensation of the subsidy.

The consolidated financial statements of the Company for the fiscal year from July 1, 2016 to December 31, 2016’s other income amounted Baht 53 million, increasing from the same period of last year Baht 12 million or 29 percent mostly resulted from the subsidy from the Japanese Government; Ministry of Environment at Baht 42 million under the JCM (Joint Crediting Mechanism) Project.

Cost of Sales and Expenses

The consolidated financial statements of the Company’s total cost of sales for the 1 year period ending at December 31, 2016 was Baht 1,472 million, increased by Baht 54 million or 4 percent from last year. This was resulted from the increase of total revenues. The ratio of total cost of sales and total revenues for year-ended December 31, 2016 and at the same period of last year were 77 and 79 percent respectively. The ratio of total cost of sales was decreased, resulted from the increase of total revenues, thus some fix cost was decreased, and cost control was more efficient as well.

The consolidated financial statements of the Company’s total cost of sales for the period of July 1, 2016 to December 31, 2016 was Baht 801 million, increased by Baht 42 million of 6 percent from the same period of last year. This was resulted from the total revenues that was slightly increased. The ratio of cost of sales to total revenues for the fiscal period of July 1, 2016 to December 31, 2016 compared with the same period of last year were 77 and 77 percent respectively.

The fiscal year of 1 year period ending December 31, 2016, the consolidated financial statement of the Company’s total cost of sales was Baht 569 million, increased by Baht 111 million or 24 percent from the same period of last year. This was resulted from a subsidiary in renewable energy has recognized the expenses. In addition, the administrative expenses have been increased due to the consulting fee of law firm related to the outstanding debt of the Australian account receivable. In addition, the expenses with interests have been reserved for the case that the Company was sued by a contractor. The ratio of cost of sales to total revenues for the year ended December 31, 2016 compared with the same period of last year were 30 and 26 respectively.

The consolidated financial statements for the periods from July 1, 2016 to December 31, 2016, the selling and administrative expenses amounted Baht 273 million, increased by Baht 37 million or 16 percent from last year. This was resulted from a subsidiary in renewable energy has recognized the expenses. In addition, the administrative expenses have been increased due to the consulting fee of law firm related to the outstanding debt of the Australian account receivable. The ratio of selling and administrative expenses to total revenues for the period from July 1, 2016 to December 31, 2016, compared with the same period of last year were 26 percent and 24 percent respectively.

The consolidated financial statement of the Company's financial cost for 1 year period ending December 31, 2016 amounted to Baht 37 million, increased by Baht 36 million from last year. This was resulted from the interest of short term loan for the installation of solar rooftop at the Company, and interest of short term and long term loan that the Company used for the expansion of investment in renewable energy business.

The consolidated financial statement of the Company's financial cost for the period July 1, 2016 to December 31, 2016 amounted to Baht 22 million, increased by Baht 21 million from last year. This was resulted from the interest of short term loan for the installation of solar rooftop at the Company, and interest of short term and long term loan that the Company used for the expansion of investment in renewable energy business.

Gross Profit

The consolidated financial statements of the Company's gross profit for 1 year at the year ended December 31, 2016 was Baht 431 million, increased by Baht 65 million or 18 percent from last year. The gross profit ratio for the 1 year period at the year ended December 31, 2016 and at the same period of last year represented 23 and 21 percent respectively. The gross profit was increased resulted from the increased of total revenues and decreased in cost of sales due to the efficient cost control.

The fiscal year period July 1, 2016 to December 31, 2016, the consolidated financial statement of the Company's gross profit was Baht 235 million, increased by Baht 4 million or 2 percent from the same period of last year. The gross profit ratio for the fiscal year period July 1, 2016 to December 31, 2016 and at the same periods of last year represented 23 and 23 percent respectively.

Net Profit (Loss)

The consolidated financial statements of the Company's net loss for the 1 year period at the year ended December 31, 2016, amounted Baht 31 million, while there was net profit amounted Baht 13 million from last year. Net loss was increased by Baht 44 million or 338 percent from last year, resulted from increasing in administrative expenses due to a subsidiary in renewable energy has recognized the expenses. In addition, there was a consulting fee of law firm related to the outstanding debt of Australian account receivable. The expenses with interests have also been reserved for the case that the Company was sued by a contractor. However, the Company gained share of profit from the associated company according to the equity method amounted to Baht 22 million. Net loss ratio of the 1 year period ended at December 31, 2016 was 2 percent compared with 1 percent for the same period of last year.

The consolidated financial statements of the Company's net profit for the fiscal period from July 1, 2016 to December 31, 2016 amounted to Baht 25 million compared with the net profit of the same period of last year amounted to Baht 57 million, decreased by Baht 32 million or 56 percent. This was resulted from the increasing of administrative expensed of the subsidiary in renewable business that the expenses have been recognized. In addition, there was a consulting fee of law firm related to the outstanding debt of Australian account receivable.

Net profit ratio of the fiscal year from July 1, 2016 to December 31, 2016 was 2 percent compared with 6 percent for the same period of last year.

2. Financial Positions

Statements of Financial positions as at December 31, 2015 and December 31, 2016

Consolidated F/S	December 31, 2016		December 31, 2015		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets						
Cash and cash equivalents	380	11%	379	12%	1	0%
Trade accounts receivable - net	461	13%	492	16%	(31)	(6%)
Inventories - net	404	11%	324	10%	80	25%
Other current assets	55	2%	40	1%	15	38%
Total Current Assets	1,300	36%	1,235	40%	65	5%
Investments	810	22%	766	25%	44	6%
Property, plant and equipment - net	1,344	37%	748	24%	596	80%
Other non - current assets	164	5%	339	11%	(175)	(52%)
Total Non - Current Asset	2,318	64%	1,853	60%	465	25%
Total Assets	3,618	100%	3,088	100%	530	17%
Liabilities and Shareholders' Equity						
Short – term loans from financial institution	385	11%	24	1%	361	1,054%
Short –term loans from others	103	3%	-	0%	103	100%
Long – term loans from financial institution	6	2%	-	0%	6	100%
Trade accounts payable	174	5%	161	5%	13	8%
Other current liabilities	185	5%	154	5%	31	20%
Total Current Liabilities	853	24%	399	11%	514	152%
Long – term loans from financial institution	230	6%	200	6%	30	15%
Liabilities under employee benefits obligation	30	1%	24	1%	6	25%
Other non - current liabilities	26	0.7%	2	0.1%	12	1,200%
Total Non – Current Liabilities	286	8%	226	7%	60	27%
Total Liabilities	1,139	31%	565	18%	574	102%
Shareholders' equity to the Company's	2,289	63%	2,335	76%	(46)	(2%)
Shareholders' equity non-controlling interests' equity	190	5%	188	6%	2	1%
Total Shareholders' equity	2,479	69%	2,523	82%	(44)	(1.7%)
Total Liabilities and Shareholders' Equity	3,618	100%	3,088	100%	530	17%

2.1 Analysis of the Financial Position of the Company, subsidiaries and its joint ventures as at December 31, 2016 compared with December 31, 2015

Total Assets

As at December 31, 2016 the consolidated financial statements of the Company's total assets was Baht 3,618 million, increased by Baht 530 million or 17 percent from last year as at December 31, 2015. This was mainly resulted from the increase in the fixed assets under proceed of solar farm in Japan, amounted to Baht 540 million.

As at December 31, 2016 and December 31, 2015, total assets of the consolidated financial statement of the Company were comprised of the following items;

- Cash and cash equivalents were 11 percent and 12 percent respectively.
- Trade accounts receivable were 13 percent and 16 percent respectively.
- Inventories were 11 percent and 10 percent respectively.
- Other current assets were 1 percent and 1 percent respectively.
- Investment in the associated companies and other companies was 22 percent and 25 percent respectively.
- Property, plant and equipment were 37 percent and 24 percent respectively.
- Other non-current assets were 5 percent and 11 percent respectively.

Trade accounts receivable as at December 31, 2016 amounted to Baht 461 million which were current trade account receivable 67 percent, overdue trade accounts receivable less than or equivalent to 3 months at 18 percent, and trade account receivable over 3 months was 15 percent. However, the Company, subsidiaries and its joint ventures have followed up closely those trade accounts receivable for the collections. Some debtors that have been in the process of debt collection, would be considered as the allowance for doubtful accounts. Thus, as at December 31, 2016 the allowance for doubtful accounts was Baht 16 million for trade account receivable from one Australian customer, Baht 15 million for special project of prefabricated building and Baht 1 million for the others, which the Company and subsidiary company has acknowledged that was sufficient. For the turnover of receivable as at December 31, 2016 were 3.99 times compared with 3.81 times from last year, and account receivable day as at the year end December 31, 2016 was 91 days, while 96 days at the end of last year. The account receivable day was decreased because one of the account receivable from Australian paid for a certain outstanding debt.

Inventories as at December 31, 2016 amounted to Baht 404 million, increased by Baht 80 million or 25 percent from last year, due to one of subsidiary has got inventory of finished goods increased and some was increased from raw material and product in the process of prefabricated building and bathroom pod. For the ratio of inventory turnover as at the end of this year was 4.04 times and at the end of last year was 3.97 times.

Investments as at December 31, 2016 amounted to Baht 810 million, increased by Baht 44 million or 6 percent from last year. This was due to the equity in the profit under the equity method of one associated company increased.

Property, plant and equipment - net as at December 31, 2016 amounted to Baht 1,344 million, increased by Baht 596 million from last year. Most of them were increased from the fixed assets of the Solar Farm in Japan which is under proceed amounted to Baht 540 million.

Other non-current assets as at the end of December 31, 2016 amounted to Baht 164 million, decreased by Baht 175 million, mostly decreased from long-term loan for Bangphra Green Energy Ltd. which was indirect subsidiary of the Company amounted to Baht 100 million.

Total liabilities

As at December 31, 2016, the consolidated financial statements of the Company had total liabilities of Baht 1,139 million, increased by Baht 574 million or 102 percent from last year. This was due to the short-term loans from financial institution and other persons.

Short-term loan from financial institute as at year ended December 31, 2016, amounted to Baht 385 million increased by Baht 361 million for providing loan to Bangphra Green Energy Ltd., which was indirect subsidiary of the Company to use in the solar farm project in Japan.

Short-term loan from other persons as at year ended December 31, 2016 amounted to Baht 103 million, increased from loan that Bangphra Green Energy Ltd., which was indirect subsidiary of the Company, use for the project of solar farm in Japan.

Long-term loan from financial institute as at year ended December 31, 2016 amounted to Baht 230 million. Some portion of long-term loan from financial institute that due date is one year amounted to Baht 6 million is loan for Bangphra Green Energy Ltd., an indirect subsidiary of the Company, to use in the solar farm project in Japan.

Shareholders' equity

As at December 31, 2016, the consolidated financial statements of the Company had the shareholders' equity of Baht 2,479 million while as at the end of last year was Baht 2,523 million, decreased by Baht 44 million or 2 percent. This was resulted from the period of year ended December 31, 2016, the consolidated financial statements of the Company had net loss amounted Baht 31 million and non-controlling interests increased for Baht 4 million and actuarial loss – net of tax amounted Baht 10 million.

Book value as at December 31, 2016 was Baht 4.18 per share, while last year was Baht 4.25 per share, decreased from last year by Baht 0.07 per share or 2 percent.

2.2 Liquidity and key financial ratios

Statements of Cash flows for the year ended December 31, 2016

งบการเงินรวม	หน่วย : ล้านบาท
Net cash provided for (used in) operating activities	3
Net cash provided for (used in) investing activities	(497)
Net cash provided for (used in) financing activities	492
Exchange differences from foreign currency financial statement translation – net of tax	3
Increase (decrease) in cash and cash equivalents - net	1
Cash and cash equivalents at beginning of period/year	379
Cash and cash equivalents at end of period/year	380

Liquidity of the consolidated financial statement of the Company as at December 31, 2016, there was balance cash and cash equivalents at the end of period was Baht 380 million while as at the end of last year was Baht 379 million, cash flow increased by Baht 1 million, this was due to :-

- Cash flows for operating activities amounted Baht 4 million mostly for interest paid to financial institute
- Cash flows for investing activities amounted Baht 497 million, which mainly due to Bangphra Green Energy Ltd. which is indirect subsidiary of the Company used for the investment in Solar Farm in Japan amounted Baht 540 million and cash used in the investment of assets amounted Baht 99 million which was mostly for the installation of Solar Rooftop in the Company, and increased from dividend of associated and subsidiary companies by Baht 29 million.
- Cash flows from financing activities amounted Baht 492 million, mostly from short-term and long-term loans from financial institution amounted Baht 397 million for providing to Bangphra Green Energy Ltd., the indirect subsidiary of the Company, to borrow to use in Solar Farm Project in Japan. Bangphra Green Energy Ltd., also borrowed money from other persons amounted Baht 103 million to use in Solar Farm in Japan.
- Exchange differences from foreign currency financial statement translation – net of tax amounted Baht 3 million from the investment in Solar Farm Project in Japan, Bangphra Green Energy Ltd. which is indirect subsidiary of the Company.

The current ratio was decreased from 3.64 times as at December 31, 2015 to 1.52 times as at December 31, 2016. The ratio of working capital was decreased from 2.57 times as at the end of last year to 0.99 times as at December 31, 2016. Both ratios were highly decreased, due to the consolidated financial statement of the Company has the current liability increased. However, both ratios have been shown to the good liquidity of the Company and subsidiary of the Company.

Taking consideration of the ability for the debt repayment as at the end of last year, and at the year ended December 31, 2016, the Company and subsidiary company still have good ability for debt payment, considered from the ratio of liability to the ratio of shareholders' equity, the debt ratios as shown the numbers rather low at 0.22 and 0.46 times respectively. Nevertheless, the ratio of shareholders' equity as at the year ended of this year was increased from last year, resulted from the increasing loan used for the expansion in renewable energy.

3. Main factors which may affect future operations and finance positions

The stability of local political

If local political is instable, it may lessen the government's spending to stimulate the economy. As a result, the industrial growth will be fallen and the order is also reduced.

Foreign market

If world economy has not been recovered, foreign market will have contraction. As a result, the industrial growth will be fallen and the order is also reduced.

Raw Material Pricing

Steel is the main raw material for production. If prices of steel are fluctuated, this may affect the orders and production costs.

Foreign Exchange Rate

If the Baht is appreciating against the USD dollar continuously, this may affect the Company's sales getting less. Also, the Company may lose their competitiveness compared to its competitors and may get loss from the exchange rate.

Please be informed accordingly.

Yours sincerely,

(Mr. Surapol Kunanantakul)

Vice President