

(Translation)

12 May 2017

Subject: Management Discussion and Analysis (MD&A) of Q1/2017

To: Director and manager
The Stock Exchange of Thailand

Union Textile Industries Public Company Limited (“the Company”) would like to clarify on the operating results of the first quarter ending 31 March 2017, changes exceed 20%, as follows;

1. Overall operating results

	(Unit: million Baht)		
	<u>Q1 ending 31 March</u>		<u>% Changes</u>
	<u>2017</u>	<u>2016</u>	<u>Increased (decreased)</u>
Sales and service income	182	188	(3)
Total revenues	196	201	(3)
Cost of sales and services	169	172	(2)
Selling and administrative expenses	21	19	11
Net profit (loss)	6	10	(40)

- Sales and service income

The Company had sales and service income decreased 6 million Baht or 3%, resulting from export sales decreased.

- Cost of sales

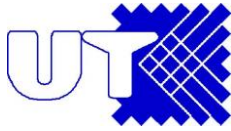
The Company had cost of sales decreased 3 million Baht or 2%, as per sales decreased.

- Selling and administrative expenses

The Company had selling and administrative expenses increased 2 million Baht or 11%, main reason came from higher freight expenses.

- Net profit

The Company had net profit 6 million Baht decreased 4 million Baht. The main reason came from higher raw materials cost, as cotton market prices increased since quarter 4 of 2016.



2. Financial position

(Unit: Baht million)

	<u>Q1 ending 31 March</u>		<u>Changes</u>
	<u>2017</u>	<u>2016</u>	<u>Increased (Decreased)</u>
Total assets	1,003	992	11
Total liabilities	141	137	4
Total shareholders' equity	862	855	7

- Total assets

The Company had total assets 1,003 million Baht, increased by 11 million Baht, having current assets 19 million Baht increased and non-current assets 8 million Baht decreased.

- Liabilities

The Company had total liabilities 141 million Baht, increased 4 million Baht, having current liabilities 5 million Baht increased and non-current liabilities 1 million Baht decreased.

- Shareholders' equity

The Company total shareholders' equity 862 million Baht increased by 7 million Baht. The main reason came from 6 million Baht of net profit from the business operations and 1 million Baht recognized the adjustment of the market value of the stocks invested in the Stock Exchange of Thailand which was not the actual profit.

As of 31 March 2017, the Company had Debt to Equity ratio equal to 0.16:1 times, no significant changes from the previous year, and appropriate.

Please be informed accordingly.

Yours sincerely

-Signature-

Mrs. Pimporn Chotirattanakul

Managing Director