

MD&A

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended March 31, 2019

Major attributes to the Company's operating performance variations between Q1/19 and Q1/18 are:

1. Total sale revenues decreased Baht 428.27 million (35.5%) from Baht 1,206.76 million to Baht 778.49 million because compared to Q1/18, sale quantities of Q1/19 decreased by 27% because customers in South Asia delayed order from weaker value of their local currency to U.S. Dollar. In addition, local commercial banks are stricter on credit facilities provided. However, these situation will be back to normal and customers will order as regular since LPG is part of basic factors for daily living.
2. Cost of Sales decreased Baht 331.88 million (34.3%) from Baht 968.67 million to Baht 636.79 million in concurrent with a decrease in total sale revenues. Moreover, steel price of Q1/19 is similar to Q1/18.
3. Gross profit decreased Baht 96.39 million (40.5%) from Baht 238.09 million to Baht 141.70 million. At the same time, gross profit margin slightly decreased from 19.7% to 18.2% because stronger value of Baht currency has negative effects on company's profitability.
4. Selling Expenses decreased Baht 42.25 million (52.1%) from Baht 81.03 million to Baht 38.78 million because of an decrease in CIF sales. Moreover, better management caused sale promotion expense decreased
5. Gain (Loss) on exchange increased Baht 17.40 million (142.9%) from loss on exchange of Baht 12.18 million to gain on exchange of Baht 5.22 million because at the end of Q1/19, stronger value of Baht caused gain from exchange rate from foreign currency liabilities. While at the end of Q1/18, stronger value of Baht caused loss from exchange rate from foreign account receivables
6. Financial Cost increased Baht 1.77 million (86.8%) from Baht 2.04 million to Baht 3.81million since the company has to reserve more cash for dividend payment and for corporate tax of 2018 due within Q2/19. Therefore, unlike prior period, the company did not make early repayment of loan.
7. Income tax decreased Baht 7.47 million (27.2%) from Baht 27.46 million to Baht 19.99 million in concurrent with an decrease in operational profit at the same tax rate of 20%
8. Net Income for the period decreased Baht 31.68 million (27.2%) from Baht 116.60 million to Baht 84.92 million because sale decreased

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director