

**MD&A**

**SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**

For the three-month period ended June 30, 2017

Major attributes to the Company's operating performance variations between Q2/60 and Q2/59 are:

1. Total sale revenues increased Baht 281.03 million (37.5%) from Baht 749.33 million to Baht 1,030.36 million because compared to Q2/59, sale quantities of Q2/60 increased by 26% from the demands from Asia and Africa
2. Cost of Sales increased Baht 328.80 million (66.9%) from Baht 491.37 million to Baht 820.17 million in concurrent with an increase in total sale revenues. However, steel price, according to global market price, increased by 48% ;therefore, cost of sale substantially increased than an increase in sales.
3. Gross profit decreased Baht 47.77 million (18.5%) from Baht 257.96 million to Baht 210.19 million. At the same time, gross profit margin decreased from 34.4% to 20.4% due to an increase in cost of raw material (steel), stronger value of Baht and fierce competition in some countries.
4. Other Incomes increased Baht 11.21 million (33.6%) from Baht 33.40 million to Baht 44.61 million due to an increase in scrap sales which is concurrent with an increase in production quantity. Stronger value of Baht also caused unrealized gain from exchange rate from short-term loans for purchasing raw materials
5. Selling Expenses increased Baht 20.03 million (33.1%) from Baht 60.54 million to Baht 80.57 million because of an increase in CIF sales and cost of freight to some destinations
6. Financial Cost decreased Baht 0.43 million (16.4%) from Baht 2.62 million to Baht 2.19 million since the company has sufficient working capital, therefore, the company decrease short-term loan which is high interest rate. Moreover, the company succeed in negotiating with Bank for fewer interest costs
7. Tax expense decreased Baht 12.53 million (33.8%) from Baht 37.02 million to Baht 24.49 million because net profit from operation decreased at the same tax rate of 20%.
8. Net Income for the period decreased Baht 46.76 million (31.3%) from Baht 149.23 million to Baht 102.47 million because of an increase in cost of raw materials, stronger value of Baht and an increase in freight cost while netted with an increase in other incomes and a decrease in financial cost

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director