

MD&A

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended September 30, 2017

Major attributes to the Company's operating performance variations between Q3/60 and Q3/59 are:

1. Total sale revenues increased Baht 226.33 million (25.2%) from Baht 899.67 million to Baht 1,126.00 million because compared to Q3/59, sale quantities of Q3/60 increased by 23% from the demands from Asia and Africa
2. Costs of Sales increased Baht 200.78 million (30.8%) from Baht 651.01 million to Baht 851.79 million in concurrent with an increase in total sale revenues. However, steel price, according to global market price, increased by 18% ;therefore, cost of sale substantially increased than an increase in sales
3. Gross profit increased Baht 25.55 million (10.3%) from Baht 248.66 million to Baht 274.21 million in concurrent with an increase in total sale revenues. However, gross profit margin decreased from 27.6% to 24.4% due to an increase in cost of raw material (steel), stronger value of Baht and fierce competition in some countries
4. Other Income increased Baht 12.05 million (31.5%) from Baht 38.29 million to Baht 50.34 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 14.33 million (21.5%) from Baht 66.56 million to Baht 80.89 million because of an increase in CIF sales and cost of freight to some destinations
6. Net Income for the period increased Baht 18.74 million (13.5%) from Baht 138.48 million to Baht 157.22 million because of an increase in sales and other incomes while netted with an increase in cost of raw materials and selling expenses

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director