

**MD&A**

**SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED**

For the year ended December 31, 2018

Major attributes to the Company's operating performance variations between 2018 and 2017 are:

1. Total sale revenues increased Baht 123.77 million (2.9%) from Baht 4,326.80 million to Baht 4,450.57 million, close to prior period.
2. Cost of Sales increased Baht 156.48 million (4.7%) from Baht 3,352.51 million to Baht 3,508.99 million, in concurrent with an increase in total sale revenues. However, steel price which increased by 16% causes cost of sale substantially increased than an increase in sales.
3. Gross profit decreased Baht 32.71 million (3.4%) from Baht 974.29 million to Baht 941.58 million and gross profit margin decreased from 22.5% to 21.2% because stronger value in Baht currency and an increase in cost of steel
4. Other Incomes increased Baht 61.49 million (33.3%) from Baht 184.82 million to Baht 246.31 million primarily due to an increase in quantities and unit price of scrap sales and Gain from fair value adjustment of investment property
5. Financial Expenses increased Baht 5.75 million (74.2%) from Baht 7.75 million to Baht 13.50 million since the company has to reserve more cash for purchase of raw material and for working capital and market interest rate increased
6. Net Income for the period increased Baht 26.67 million (5.0%) from Baht 531.75 million to Baht 558.42 million because of an increase in sale and other income.

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director