

## Translation

### MD&A

#### SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended June 30, 2020

Major attributes to the Company's operating performance variations between Q2/2020 and Q2/2019 are:

1. Total sale revenues increased Baht 186.81 million (20.6%) from Baht 906.31 million to Baht 1,093.12 million because customers in South Asia who delayed order in last year began ordering since last quarter of 2019 until present. In addition, Africa customers increased orders due to high demand. Finally, U.S. customers still placed orders resulting from trade war between the U.S and China
2. Cost of sales increased Baht 110.12 million (15.8%) from Baht 694.94 million to Baht 805.06 million in concurrent with an increase in total sale revenues. Moreover, steel price of Q2/2020 is lower than Q2/2019 by 14%, therefore, percentage of cost increased is less than percentage of sale increased.
3. Gross profit increased Baht 76.69 million (36.3%) from Baht 211.37 million to Baht 288.06 million. At the same time, gross profit margin increased from 23.3% to 26.4% because Baht currency is weaker and a decrease in steel market price led to better profitability
4. Other income decreased Baht 10.36 million (19.4%) from Baht 53.43 million to Baht 43.07 million because a weaker of Baht currency led to less gained on exchange rate from debt collection from foreign customers, net with payment to Account Payables. At the same time, revenue from scrap sale increased in concurrent with an increase in production quantities
5. Cost of distribution increased Baht 12.37 million (26.2%) from Baht 47.17 million to Baht 59.54 million because of an increase in freight expense in concurrent with an increase in sale. Moreover, sale promotion expense increased.
6. Past Service Cost decreased Baht 14.05 million (100%) since prior year, the Company recorded the effect from the Labor Protection Act No.7 B.E. 2019 was published in the Government Gazette which entitles employees who have worked for a consecutive period of 20 years or more to receive 400 days based on their salary as at the date of retirement. As a result, liabilities under post –employment benefits of prior period increased
7. Financial costs decreased Baht 1.81 million (46.3%) from Baht 3.91 million to Baht 2.10 million because the company has enough cash and working capital due to better operating performance. In order to decrease interest expenses, the company made early repayment of loan.
8. Income tax increased Baht 14.27 million (49.0%) from Baht 29.11 million to Baht 43.38 million in concurrent with an increase in operational profit at the same tax rate of 20%

9. Net profit for the period increased Baht 60.19 million (49.3%) from Baht 122.0 million to Baht 182.19 million because of an increase in sale revenues, better profitability and an decrease in expenses, net with an decrease in other incomes and an increase in income tax

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director