

MD&A

SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the three-month period ended March 31, 2017

Major attributes to the Company's operating performance variations between Q1/60 and Q1/59 are:

1. Total sale revenues increased Baht 159.9 million (19.7%) from Baht 811.76 million to Baht 971.66 million because compared to Q1/59, sale quantities of Q1/60 increased by 13.6% from the constant demands from Asia and Africa
2. Cost of Sales increased Baht 186.72 million (33.2%) from Baht 563.01 million to Baht 749.73 million in concurrent with an increase in total sale revenues. However, steel price which increased by 26% causes cost of sale substantially increased than an increase in sales.
3. Gross profit decreased Baht 26.82 million (10.8%) from Baht 248.75 million to Baht 221.93 million. At the same time, gross profit margin decreased from 30.6% to 22.8% due to an increase in cost of raw material (steel) and stronger value of Baht.
4. Other Incomes increased Baht 5.79 million (19.1%) from Baht 30.27 million to Baht 36.06 million primarily due to an increase in scrap sales which is concurrent with an increase in production quantity
5. Financial Cost decreased Baht 1.15 million (40.5%) from Baht 2.84 million to Baht 1.69 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
6. Tax expense decreased Baht 3.65 million (11.1%) from Baht 32.92 million to Baht 29.27 million because net profit from operation decreased Moreover, tax rate remains the same at 20%.
7. Net Income for the period decreased Baht 13.23 million (9.8%) from Baht 134.67 million to Baht 121.44 million because of an increase in cost of sale and stronger value of Baht 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