

## **Translation**

**Sor.Lor.Nor. 191/2016**

**August 9, 2016**

**Subject : Explanation and Analysis of Operating Result for the 2<sup>nd</sup> Quarter of 2016**

**To : Director and Manager  
Stock Exchange of Thailand**

According to the Financial Statement for the 2<sup>nd</sup> Quarter as at 30<sup>th</sup> June 2016, the operation of the company had the result differed over 20% compared to the year 2015 which can be explained as follows:-

The net profit equity method of the Company for 3 months periods had the amount of 126 million Baht or equivalent to 2.44 Baht per share, which had been increased from the year 2015 for the amount of 49 million Baht or equivalent to 63.8%. The earnings per share had been increased by 0.95 Baht per share from the year 2015.

The net profit equity method of the Company for 6 months periods had the amount of 230 million Baht or equivalent to 4.41 Baht per share, which had been increased from the year 2015 for the amount of 69 million Baht or equivalent to 43.0%. The earnings per share had been increased by 1.33 Baht per share from the year 2015.

The increase of the net profit of the Company mainly came from the gross profit for the first 3 months for the amount of 190 million Baht or equivalent to 24.3% of total sales, which had been increased from previous year for the amount of 72 million Baht or equivalent to 60.9%, gross profit for the 6 months for the amount of 348 million Baht or equivalent to 22.9% of total sales, which had been increased from previous year for the amount of 116 million Baht or equivalent to 50.2%

The main reasons for the different of the net profit are as follows:-

1. The Sales and Service Income of the Company for the period of 3 months and 6 months for the total amount of 783 million Baht and 1,524 million Baht , which had been increased from the year 2015 for the amount of 58 million Baht and 81 million Baht or equivalent to 8.0% and 5.6% respectively. It was mainly increased from the high profit products from previous year.
2. The Company had the cost of sales for the 3 months and 6 months for the amount 593 million Baht and 1,176 million Baht or equivalent of 75.7% and 77.1% of total sales which had been decreased from the year 2015 for the amount of 14 million Baht and 35 million Baht or equivalent to 8.0% and 6.8% respectively. It was mainly decreased from the raw material price, the energy price, which effected by global situation. Moreover, the cost of preventive maintenance decreased from previous year due to the full capacity operation caused the preventive maintenance plan had been postponed to the next period.
3. The Company had share of loss from investment in associated company for the period of 3 and 6 months for the amount of 2 and 3 million Baht which had been increased from the year 2015. It was due to the associated company had been under construction the factory and not yet operated the business. There were only administrative expenses without revenue in this period.

Yours faithfully,

(Mr. Akiyoshi Toba)

Director and President