

## **Translation**

**Sor.Lor.Nor. 259/2016**

**November 4, 2016**

**Subject : Explanation and Analysis of Operating Result for the 3<sup>rd</sup> Quarter of 2016**

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

According to the Financial Statement for the 3<sup>rd</sup> Quarter as at 30<sup>th</sup> September 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 89 million Baht or equivalent to 1.69 Baht per share, which had been decreased from the year 2015 for the amount of 7 million Baht or equivalent to 7.2%. The earnings per share had been decreased by 0.13 Baht per share from the year 2015.

The net profit equity method of the Company for 9 months periods had the amount of 319 million Baht or equivalent to 6.04 Baht per share, which had been increased from the year 2015 for the amount of 63 million Baht or equivalent to 24.7%. The earnings per share had been increased by 1.20 Baht per share from the year 2015.

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 9 months for the total amount of 713 million Baht and 2,238 million Baht , which had been increased from the year 2015 for the amount of 3 million Baht and 85 million Baht or equivalent to 0.4% and 3.9% respectively. It was mainly increased from the high profit products from previous year.

2. The Company had the gross profit from Sales and Service Income for 3 months and 9 months for the amount of 138 million Baht and 486 million Baht or equivalent to 19.3% and 21.7% of total sales respectively. The gross profit for 3 months had been decreased for the amount of 4 million Baht or equivalent to 3.1%. It was due to the company had decreased the high profit of sales product. The gross profit for the 9 months had been increased from previous year for the amount of 113 million Baht or equivalent to 30.3%. 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 the other income for the 9 months for the amount 96 million Baht which had been decreased from the year 2015 for the amount of 25 million Baht or equivalent to 20.4%. It was due to the company had received the subsidy for loss on under standard caps and business interruption compensation from machine damage from insurance company in year 2015.
4. The Company had share of loss from investment in associated company for the period of 3 and 9 months for the amount of 2 and 5 million Baht which had been increased from the year 2015. It was due to the associated company had not yet operated the business. There were only administrative expenses without revenue in this period.

Yours faithfully,

(Mr. Akiyoshi Toba)

Director and President