



May15, 2017

Subject Clarification of the changes in operating results exceeding 20% for the 1<sup>st</sup> quarter of the year 2017, compared to the previous year

To President of the Stock Exchange of Thailand

The financial statements in which the equity method is applied of Union Plastic (Public) Company Limited for the three-month period ended March 31, 2017 showed profit before income tax benefits (expenses) of 0.94 million Baht. When combining with income tax benefits (expenses) of 0.25 million Baht, the net profit for the period was 1.19 million Baht. The change of net profit increased, accounting for 131.26%, which exceeds 20% compared to the same period of the previous year where the loss was 3.80 million Baht. However, the Company would like to clarify the main reasons of such changes in operating results as follows;

1. Revenues from sales for the 1<sup>st</sup> quarter of the year 2017 increased by 2.62%, compared to the same period of the previous year. The main reason was the increasing sales of mold, accounting for 1,620% (The sales of the year 2017 and 2016 were 4.74 million Baht and 0.28 million Baht, respectively.)
2. Selling and administrative costs and expenses increased by 0.41%, compared to the same period of the previous year. The main reasons were as follows;
  - Selling costs decreased by 0.02% because electric power expenses and machinery and equipment maintenance expenses decreased by 12.3% and 37.1%, respectively.
  - Selling and administrative expenses increased by 4.19%, compared to the same period of the previous year, due to the annual adjustment of salary base, which caused the increase of salary expenses by 10.2%, compared to the previous year.
3. The Company had the share of profit (loss) from investments in associated companies, increased by 561.49%, and the income tax benefits increased by 283.09%, compared to the same period of the previous year.

Please be informed accordingly.

Sincerely yours,

(Mr. Rames Khempet)

Managing Director