

11 August 2017

Subject : Management's Discussion and Analyst of Operating Results of 2<sup>nd</sup> Quarter in 2017

Attn : Managing Director and Manager of Stock Exchange of Thailand

From the results of the second quarter ended 30 June 2017, the Company's net profit was 39 million baht – a decrease of 15 million baht or 27.8 % due to

1. Gross profit of 2017 decreased 26.8 million baht, a 20.2 % compared with 2016 due to LME price was higher than 2016 and high competitive on pricing in 2017.

<u>Unit : Million baht</u>	<u>2017</u>	<u>2016</u>	<u>Increase / (Decrease)</u>
Sales amount	1,605	1,436	168 – Demand of air-conditioner and refrigerator increased.
Cost of good sold	1,498	1,304	195 – Higher increase than sales amount.

Due to LME price was higher than 2016 and high competitive on pricing in 2017 including sales quantity of high margin product was decreased.

2. A decreasing of exchange gain 1.5 million baht or 82.3 % compared with the previous year as the result of more strength of Thai baht.
3. Other income was increased 5.5 million baht or 295.5 % from previous year due to gain on hedging cost of material 6.8 million baht.
4. Operating expenses of 2017 decreased 4 million baht, a 5.8 % compared with 2016 due to

<u>Unit : Million baht</u>	<u>2017</u>	<u>2016</u>	<u>Increase / (Decrease)</u>
Operating expenses	61	56	5 - Selling expense increased due to sales quantity increased.
Loss on Hedging cost of material	0	9	(9) - Customer absorbs in delivery month.

For your information

Sincerely yours,

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( Mr. Takashi Yamamoto and Mr. Makoto Kasuga )  
Director