

AD07/2016

August 15, 2016

Subject: Interim Management's Discussion and Analysis for the second quarter period ending June 30, 2016, of which company performances deviated over 20% comparing to same period counted last year.

To: The President of the Stock Exchange of Thailand.

According to Salee Colour Public Company Limited ("Color") report a financial statement for the second quarter for the three-month period ended of June 30, 2015 to the Stock Exchange of Thailand, the company performances resulted as NET PROFIT 7.26Million Bht which decreased by 6.52Million Bht, comparing to same period last year NET PROFIT 13.78Million Bht and equivalent to 47% decreased.

Company would like to summarize the highlight for those results as follows:-

1. Company achieved 227Million Bht total Sale and service incomes during the 2nd quarter 2016, which decreased 3 Million Bht over 230Million Bht at the same period counted last year, equivalent to 1% decreased. As the result of market sentiment, lower crude oil price affect to lower all plastic raw material retails price, respectively. Market demands continued to slowdown, especially in automotive, electronic/electrical appliances and building construction industries.
2. During the 2<sup>nd</sup> quarter 2016, major raw materials cost increased by 3%, comparing to the same period counted as last year. Keen Competition among local producers forced us to defend our market share by absorbed this cost increment and refrained from passing all cost to convertors, thus affect to lower GP by 2%. While selling & admin cost, accounting provision cost amount 4.6Million Bht was imposed, this's equivalent to 15% cost increased, while comparing to same period counted last year.
3. The different of corporate provision tax worth 1.8Million Bht increased, while comparing to same period counted last year.

Yours sincerely,

Mr. Kwanchai Nuttased

Managing Director

Salee Colour Public Company Limited