

AD 08/2017

August 11, 2017

Subject: Interim Management's Discussion and Analysis for the second quarter period ending June 30, 2017, of company performances.

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, 2017 to the Stock Exchange of Thailand, the company performances resulted as NET PROFIT 2.22 Million Bht which decreased by 5.04 Million Bht, comparing to same period last year NET PROFIT 7.26 Million Bht and equivalent to 69% decreased.

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

1. Company achieved 249 Million Bht total sale and service incomes during the second quarter 2017, which increased 22 Million Bht over 227 Million Bht at the same period counted last year, equivalent to 10% increased, as the result of business expansion against defending market share policy.
2. During the second quarter 2017, major raw materials cost was continued to increase consequence to crude oil price increased. The continuing of our defending policy to delay passing of all these cost increment to convertors continue affected to lower GP by another 3 %, under high competition circumstances. Moreover, overall selling & admin cost increased by 1.3Million Bht, which was equivalent to 3% cost increased, while comparing to same period counted last year.
3. Company paid additional interest amount 0.7 Million Bht while compare to same period counted last year, due to the additional loan amount covering the Capital Expenditures for new warehouse and new production line to serve Business Expansion Plan this year.

Yours sincerely,

Mr. Rach Thongvanit

Acting Managing Director

Salee Colour Public Company Limited