

AD 03/2017

February 27, 2017

Subject: Interim Management's Discussion and Analysis for covering the year 2016 ending December 31, 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 year 2016 ending December 31, 2016 to the Stock Exchange of Thailand, the company performances resulted as NET PROFIT 21.90 Mio. Bht and decreased by 11.41 Mio. Bht, comparing to same period last year NET PROFIT 33.31 Mio. Bht and equivalent to 34.25% decreased. Company would like to summarize the highlight for those results as follows:-

1. Company achieved 951 Mio. Bht of total Sales and service incomes during the year 2016, which increased 81 Mio. Bht over 869 Mio. Bht at the same period counted last year, equivalent to 9.35% increased. Our sales increase with market share expansion gradually, consequence to the market perception of our high quality bench-mark as premium products and commodities supplies in addition to developing more Bid-Tender businesses with earning profitability throughout the year.
2. Since crude oil price manipulated to fluctuate the Petrochemicals prices and affected all major raw materials cost gradually increased. Under the sluggish demand and high competition, our defending policy to maintain selling-price affected to lower GP by only 0.92 % with the selling and admin cost increment of 16.85Mio. Bht, which equivalent to 13.35% increased comparing to last year. While company can save 2.94Mio. Bht by the loan-interest paid comparing to last year, resulted by the effective cash-flow management followed suite to debt-repayment plan.
3. Our yearly business performance resulted as NET PROFIT, thus generated the corporate tax-payable amount 3.84Mio. Bht, which increased by 4.65Mio. Bht, while comparing to last year.



Yours sincerely,

Mr. Kwanchai Nuttased

Managing Director

Salee Colour Public Company Limited