

## Translation

### MD&A

#### SAHAMITR PRESSURE CONTAINER PUBLIC COMPANY LIMITED

For the year ended December 31, 2020

Major attributes to the Company's operating performance variations between 2020 and 2019 are:

1. Revenue from Sales increased Baht 717.42 million (22.0%) from Baht 3,255.96 million to Baht 3,973.38 million because customers in South Asia who delayed order in last year began ordering since last quarter of 2019 until present. In addition, Africa customers increased orders due to high demand. U.S. customers still placed orders resulting from trade war between the U.S and China
2. Cost of sales increased Baht 414.43 million (16.0%) from Baht 2,588.87 million to Baht 3,003.30 million in concurrent with an increase in total sale revenues. Moreover, steel price of 2020 is lower than that of 2019 by 14%, therefore, percentage of cost increased is less than percentage of sale increased.
3. Gross profit increased Baht 302.99 million (45.4%) from Baht 667.09 million to Baht 970.08 million. At the same time, gross profit margin increased from 20.5% to 24.4% because a decrease in steel market price and Baht currency is weaker, led to better profitability
4. Other income increased Baht 68.66 million (39.1%) from Baht 175.63 million to Baht 244.29 million because a weaker of Baht currency caused gain on exchange rate. At the same time, revenue from scrap sale increased in concurrent with an increase in production quantities and price per unit increased in concurrent with market price
5. Selling and Distribution expenses increased Baht 64.31 million (35.9%) from Baht 179.09 million to Baht 243.40 million because of an increase in sale promotion expenses and freight expenses in concurrent with an increase in sales
6. Past Service Cost decreased Baht 14.05 million (100%) since prior year, the Labor Protection Act No.7 B.E. 2019 was published in the Government Gazette which entitles employees who have worked for a consecutive period of 20 years or more to receive 400 days based on their salary as at the date of retirement. As a result, liabilities under post –employment benefits increased
7. Financial costs decreased Baht 5.45 million (39.9%) from Baht 13.65 million to Baht 8.20 million because the company can negotiate over bank in order to get lower interest rate due to stable financial position. Moreover, market interest rate has decreased since Q2/2020
8. Income tax increased Baht 58.46 million (66.0%) from Baht 88.58 million to Baht 147.04 million in concurrent with an increase in operational profit at the same tax rate of 20%

9. Profit for the year increased Baht 243.51 million (64.9%) from Baht 375.20 million to Baht 618.71 million because of an increase in sale revenues, better profitability and an increase in other incomes, net with an increase in selling and distribution expenses and income tax

Yours sincerely,

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Mr. Surasak Urpsirisuk

Managing Director