



Ref Selic 0008/2560-ENG

8 Aug 2017

RE: Management Discussion and Analysis
 Attn: The Board of Directors and Manager
 The Stock Exchange of Thailand

Selic Corp Public Company Limited ("Company") would like to submit the Management Discussion and Analysis ("MD&A") for the Financial Statements for the Period Ended 30 June 2017 as following;

Operating Result Analysis

	Y2015	Y2016	Increase (Decrease)	Q2/2016	Q2/2017	Increase (Decrease)
	(MB)	(MB)	%	(6M) (MB)	(6M) (MB)	%
Sales - Net	589.09	556.20	(5.58%)	284.16	281.03	(1.10%)
Other income	4.19	4.59	(9.55%)	2.18	2.33	6.75%
Total Revenue	593.28	560.79	(5.48%)	286.34	283.35	(1.04%)
Cost of Sales	437.76	391.21	(10.63%)	197.55	203.70	3.11%
Gross Profit (Excluding Other Revenue)	151.33	164.99	9.03%	86.61	77.33	(10.72%)
Selling Expenses	11.74	14.27	21.55%	7.45	8.07	8.26%
Administration Expenses	66.28	84.31	27.20%	40.67	45.24	11.24%
EBITDA	77.50	71.00	(8.38%)	40.67	26.35	(35.22%)
Depreciation	20.21	21.93	8.51%	10.77	11.12	3.21%
EBIT	57.30	49.07	(14.36%)	29.90	15.23	(49.07%)
Financial Cost	7.83	3.93	(49.81%)	2.57	0.27	(89.61%)
EBT	49.47	45.14	(8.75%)	27.33	14.96	(45.26%)
Tax	10.07	6.10	(39.42%)	5.52	2.55	(53.75%)
Net Profit for the Year	39.39	39.04	(0.89%)	21.81	12.41	(43.11%)
Other Comprehensive Income	-	2.05	-	1.92	(0.13)	(106.61%)
Total Comprehensive Income for the Year	39.39	41.09	4.32%	23.73	12.28	(48.25%)

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Revenue

Sales Revenue of Q2/2017 decreased by 1.10% from 284.16 to 281.03 million baht. The lower in Sale Revenue is the result from negative sentimental on consumption domestic and decreasing in demand of Solvent based adhesive is shoes industry. However, we noted that if based on 3-months comparison, the Sale Revenue only dropped by 0.02% or 30,000 baht (from 143.43 to 143.40 million baht).

Cost of Goods Sold ("COGS") and Gross Profit Margin

COGS increased by 3.11% from 197.55 to 203.70 million baht due to the higher price of raw material cost such as CR-Rubber and Solvent.

As a result of an increase in COGS, the Company's Gross Profit (Excluding Other Revenue) decreased by 10.72% from 86.61 to 77.33 million baht.

Selling and Administration Expenses

Selling expenses increased by 8.26% from 7.45 to 8.07 million baht. The Company has been more aggressive in marketing activities aboard to try and increase export revenue (export revenue increased by 4.32% from 112.99 to 117.88 million baht). The Company has also spent more on domestic promotions and marketing to shore up domestic sale.

The Administration Expenses of Q2/2017 increased by 11.24% from 40.67 to 45.24 million baht due to the compliances expense when the Company declared as Public i.e. Financial Advisor & other consulting expense, meeting allowance/attending fee, professional fee relating to the operation under the Stock Exchange of Thailand as well as Asset Disposal.

Financial Costs

The Company's Financial Cost was greatly decreased by 89.61% from 2.57 to 0.27 million baht since the Company tried to minimize the expenses i.e. interest from O/D or P/N.

Net Profit

For the Q2/2017, ending 30 June 2017, the Company's Net Profit after OCI decreased by 48.25% from 23.73 to 12.28 million baht due to the due the absense in the Actuarial Gain on Measurement of Liability for Post-Employment Benefits (1.92 Million Baht to nil) and the Change in Fair Value of Current Investment by (0.13) million bath.

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Cash Flow

For Q2/2017, the Cash Flows from Operating Activities of the Company was still maintained positive at 10.12 million baht and the Cash Flows from Investing Activities was also maintained positive at 131.99 million baht, while the Cash Flows from Financing Activities was at negative (20.36) million baht since the Company had dividend paid-out during April 2017.



Yours Faithfully

(Ek Suwatthanaphim)

Chief Executive Officer

Selic Corp PCL.

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