



15th August, 2016

Management Discussion and Analysis

Attention: President of the Stock Exchange of Thailand,

Eason Paint Public Company Limited (“EASON”) reported its consolidated net profit growth in 2Q’2016 by more than 20% YOY. The explanations of the aforementioned change are given per followings:

THB Million	Q2’2016	Q2’2015	% Change
Sales and services	125.41	110.60	13.39
Cost of Sales and Services	71.64	61.66	16.19
Gross Profit	53.77	48.94	9.87
Selling & Administration Expenses	43.71	43.15	1.30
Profit sharing from associated company	9.52	7.24	31.49
Net Profit	18.16	14.36	26.46

While the below table is the comparison between 6 months ended June of 2016 and 2015:

THB Million	6M Ended JUN 2016	6M Ended JUN 2015	% Change
Sales and services	254.29	228.48	11.30
Cost of Sales and Services	140.56	128.19	9.65
Gross Profit	113.73	100.29	13.40
Selling & Administration Expenses	86.44	88.69	(2.54)
Profit sharing from associated company	18.02	14.17	27.17
Net Profit	41.63	27.48	51.49

Sales and services: The growth of THB 14.81 Million or 13.39%, and THB 25.81 Million or 11.30%; for the period of 3 months and 6 months respectively in total revenues resulted from an increase in sales of packaging coatings and inks especially in local market as well as, the significant growth in automotive tolling income from Eason Urai Paint (EUP), Vietnam.

Gross Profit: An increase in gross profit of THB 4.83 Million or 9.86% in second quarter of 2016 compares to the same period of last year was in accordance with the sales growth, while the period of 6 months shows a growth of THB 13.44 Million of which equals to 13.40% from the previous year.

Selling & Administration Expenses: Comparing to the same period of a year before; the company had slightly higher SG&A expenses of THB 0.56 Million or 1.30% QOQ, however; SG&A for the period of 6 months decreased by THB 2.25 Million or 2.54%, mainly due to the change in percentage of shareholdings in Bright Blue Water Corporation (from 99% to 5%).

Profit sharing from associated company: A significant increase of THB 2.28 Million or 31.49% in second quarter of 2016 from Origin Eason Paint (“OEP”), subsequently; reflected on the accumulated growth of THB 3.85 Million which equivalent to 27.17% for the period of 6 months compare with the same period of 2015.

Net Profit: A company recorded its growth by THB 3.80 Million or 26.46% in the second quarter compared to the same period of the previous year, while 6 months ended saw the increase of THB 14.15 Million or 51.49%.

Please be informed accordingly.

Sincerely Yours,

(Mr.Sanit Eksangkul)

Deputy Managing Director