



Ref. Selic002/2017

12 May 2017

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

Selic Corp PCL. (the company) would like to submit the management discussion and analysis for the Financial Statements for the Period Ended March 31, 2017 as following;

Operating Result Analysis

	Y2015	Y2016	Increase (Decrease)	Q1/2016	Q1/2017	Increase (Decrease)
	(MB)	(MB)	%	(MB)	(MB)	%
Sales - Net	589.09	556.20	(5.58%)	140.73	137.62	(2.21%)
Other income	4.19	4.59	(9.55%)	1.61	1.28	(20.50%)
Total Revenue	593.28	560.79	(5.48%)	142.34	138.90	(2.42%)
Cost of Sales	437.76	391.21	(10.63%)	98.20	98.47	0.27%
Gross Profit (Excluding Other Revenue)	151.33	164.99	9.03%	42.53	39.15	(7.95%)
Selling Expenses	11.74	14.27	21.55%	3.47	4.06	17.00%
Administration Expenses	86.49	106.24	22.84%	25.94	27.61	6.44%
EBIT	57.30	49.07	(14.36%)	14.73	8.76	(40.53%)
Financial Cost	7.83	3.93	(49.81%)	1.36	0.15	(88.97%)
EBT	49.47	45.14	(8.75%)	13.37	8.61	(35.60%)
Tax	10.07	6.10	(39.42%)	2.71	1.66	(38.74%)
Net Profit for the Year	39.39	39.04	(0.89%)	10.66	6.95	(34.80%)
Other Comprehensive Income	-	2.05	-	1.92	0.47	(75.52%)
Total Comprehensive Income for the Year	39.39	41.09	4.32%	12.58	7.42	(41.01%)

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Revenues

The sales revenue of Q1/2017 was 137.62 million baht, decreased by 3.11 million baht or 2.21 % from Q1/2016 due to reduction in sales of low margin goods, especially items for trading and some chemicals.

Other revenues from 2017 ending March 31, 2017, totaled at 1.28 million baht, or decreased of 0.33 million baht or 20.50 %, from sales of unused machinery and equipment.

Cost of Sales and Gross Profit Margin

For Q1/2017, ending March 31, 2017, the company's cost of sales was 98.47 million baht or 70.89 % of the total revenue (Increase of 0.27 million baht or 0.27 % from Q1/2016) due to lower total revenue and a higher cost of materials during Q1/2017.

The company's gross margin ending March 31, 2017 (excluding other revenues) was at 39.15 million baht or 28.45%, the decreased of 3.38 million baht or 7.95 % down from the previous year due to higher of material cost.

Selling and Administration Expenses

For Q1/2017, ending March 31, 2017 the company's selling and administration expenses was 31.67 million baht, decreased from previously year by baht 2.26 million, included the selling expenses 4.06 million baht, 0.59 million baht or 17 % up from the previous year, due to increase of selling expenses and promotion expenses.

For Q1/2017, ending March 31, 2017 the company's administration expenses was 27.61 million baht, an increase of 1.67 million baht or 6.44 %. Due to increase of loss from exchange rate, Legal Advice Fee, Finance Advice Fee and Other Professional Fee relating to the operation under the Stock Exchange of Thailand.

Financial Costs

The company's financial cost was 0.15 million baht in Q1/2017, ending March 31, 2017. A decrease of 1.21 million baht or 88.97 % from the previous year due to O.D. and short term loan interest being lower and greatly reduced.

Net Profit and Net Profit Margin

For the Q1/2017, ending March 31, 2017, the company's net profit was baht 6.95 million, or down 3.71 million baht or 34.80% from Q1/2016. The company net profit percentage (to total revenue) was 2.49% decreased (from 7.49 % in Q1/2016 to 5% in Q1/2017), the main reasons are from higher material cost, higher of selling and promotion expenses during Q1/2017.

On the other hand, the company's net profit after other comprehensive income was 12.58 million baht, or 5.16 million baht or 41.02 % decreased from Q1/2016 due to profit from actuarial gain on measurement of liability for post-employment benefits in Q1/2017 down 1.45 Million Baht or 75.52%.



Yours Faithfully



(Ek Suwatthanaphim)

Chief Executive Officer

Selic Corp PCL.