



MBAX 003/2564

August 11, 2021

Subject : Clarification of the operating results which are deviated more than 20%

To : The Managing Director  
The Stock Exchange of Thailand

- ❖ Multibax Public Company Limited would like to clarify the operating results which are deviated more than 20% from the same period last year, for six months ended June 30, 2021 as follows:

#### 1. Revenue of sales

Total revenue was accounted for 607.76 million Baht, decreased by 306.60 million Baht or 33.68 percent compared to the same period last year (916.36 million Baht).

#### 2. Cost of sales

Total cost of sales was accounted for 571.69 million Baht, decreased by 175.42 million Baht or 23.48 percent compared to the same period last year (747.11 million Baht).

#### 3. Selling and Administrative Expenses

Total selling and administrative expenses were accounted for 48.77 million Baht, decreased by 4.30 million Baht or 8.10 percent compared to the same period last year (53.07 million Baht).

#### 4. Finance costs

Finance costs was accounted for 9.84 million Baht, increased by 4.00 million Baht or 68.49 percent compared to the same period last year (5.84 million Baht).

#### 5. Other Income

Other incomes were accounted for 20.04 million Baht, increased by 17.28 million Baht or 626.09 percent compared to the same period last year (2.76 million Baht).

#### 6. Loss on exchange rate

Loss on exchange rate were accounted for 10.50 million Baht, increased by 12.83 million Baht or 550.64 percent compared to the same period last year (gain on exchange rate 2.33 million Baht).

#### 7. Tax Expenses (Income tax expenses)

Income tax expenses was accounted for 2.43 million Baht, decreased by 17.65 million Baht or 115.97 percent compared to the same period last year (tax expenses 15.22 million Baht).

#### 8. Net (Loss) Profit

Loss profit was accounted for 10.58 million Baht, decreased by 110.78 million Baht or 110.56 percent compared to the same period last year (net profit 100.20 million Baht).

## Reasons for the decreased of the net profit for six months ended June 30, 2021 were:

1. Revenue from sales decreased by 306.60 million baht or 33.68 percent, from the lower sales quantity, particularly, from the significant decreasing of the sales quantity of the innovative product, a food bag with special features where the sales didn't go as planned. The situation was worsened by the serious shortage of containers where the imbalance of the import and export flow and the higher freight cost are the major reasons. These negative factors forced some customers to delay their shipments. From all of the above happenings, sales revenue of the first half of 2021 was substantially less than the budget.
2. Cost of sales increased from 81.53 percent in 2020 to 94.06 percent in 2021, mainly from the increasing prices of the plastic resins when compared to the same period last year. Combining with the delay of sales orders, followed by the decreasing of the production where the wages and overheads were not tallying down with this lower production. These factors resulted to the higher production cost. Nevertheless, the company has tried her best to control all relevant costs to commensurate with the current situation. As such, the gross profit for six months of 2021 were recorded at 36.07 million Baht, decreased by 133.18 million baht or 78.69 percent.
3. Total selling and administrative expenses were decreased by 4.30 million Baht or 8.10 percent, from the reduction of the export expenses since the sales quantities were also reduced.
4. Finance costs increased by 4.00 million Baht or 68.49 percent, mainly from the higher interest expenses under the rental agreement and more drawing of the short-term loan from the financial institutes.
5. Other income were increased by 17.28 million Baht or 626.09 percent, from the compensation of one customer that has reduced the order of one product down to the level of agreed trading responsibility.
6. Loss on exchange rate were increased by 12.83 million Baht or 550.64 percent, from the high volatility of Thai baht against US dollar. Actually, the forex management under the current circumstance was profoundly difficult where we can see the higher loss on the US dollar portfolio, in general.
7. Income tax expenses were recorded at 2.43 million Baht. This is the income from the deferred tax assets derived from the loss of six months in 2021 while in the same period last year, the company recorded 15.22 million baht of tax expenses.
8. In summary, the sales revenue decreased from lower sales quantity, the cost of sales and production cost increased from the higher prices of plastic resin and production cost, so the gross profit was recorded at 36.07 million Baht, decreased by 133.18 million Baht or 78.69 percent. Combining with all other factors including the increase of the finance costs and loss on exchange rate, decreasing of the selling & administrative expenses, the increasing of the other income, all together had made the outcome of the loss for six months ended June 30, 2021 at 10.58 million Baht. This net profit decreased by 110.78 million Baht or 110.56 percent when compared to the same period of 2020 (100.20 million Baht). Nevertheless, should we focus on the separated quarters, we can see the gradual improvement of the second quarter against the first quarter. The executions of this improvement are the better controlling of workers and staffs and the closely monitoring of the foreign exchange development. The company expect that when the container crisis has been continuously eased, the sales value will be back as usual since good quality plastic bags are the indispensable household items.

For your acknowledgement.

Yours Sincerely,

Signature \_\_\_\_\_  
(Mr. Pisuth Lertvilai)

Deputy Managing Director