

11 August 2021

Subject: Management Discussion and Analysis for Quarter 2/2021

To: President,
The Stock Exchange of Thailand

T.K.S. Technologies Public Company Limited and its subsidiaries (“the Company”) would like to report the operating results for Quarter 2 ended June 30, 2021 as reviewed by the authorized Company’s auditor as follows:

Description	Quarter 2/2021		Quarter 2/2020		Change	
	MB	%	MB	%	MB	%
Revenue from sale of goods and rendering of services	489.7	100.0	446.5	100.0	43.1	9.7
Cost of sales of goods and rendering of services	346.8	70.8	357.9	80.1	(11.1)	(3.1)
Gross Profit	142.9	29.2	88.6	19.9	54.2	61.2
Selling and Administrative expenses	103.4	21.1	104.6	23.4	(1.2)	(1.2)
Share of profit of investments in an associate and joint ventures	81.3	16.6	63.4	14.2	17.9	28.3
Profit for the period	116.8	23.8	39.1	8.8	77.7	198.8
Basic earnings per share (Baht)	0.25		0.08			

In Quarter 2/2021, The Company’s has net profit for the period increasing by THB 77.7 million or 198.8% compared to last year. Better operating was mainly driven by the sale growth in label and plastic card category after delayed in the projects of banking and export sector due to the COVID-19 situation during 2020. In addition, the Company’s continued to emphasize on costs and operating expenses control to maximize operating efficiency. Result in higher gross profit margin and lower operating expenses. Moreover, the Company’s has profit sharing of investments in an associate and joint ventures increasing by THB 17.9 million or 28.3%, causing the overall operating performance increased.

Description	6M/2021		6M/2020		Change	
	MB	%	MB	%	MB	%
Revenue from sale of goods and rendering of services	960.1	100.0	937.9	100.0	22.2	2.4
Cost of sales of goods and rendering of services	683.4	71.2	742.7	79.2	(59.3)	(8.0)
Gross Profit	276.7	28.8	195.2	20.8	81.5	41.7
Selling and Administrative expenses	198.9	20.7	213.0	22.7	(14.1)	(6.6)
Share of profit of investments in an associate and joint ventures	153.1	15.9	112.8	12.0	40.3	35.7
Profit for the period	223.9	23.3	82.5	8.8	141.4	171.3
Basic earnings per share (Baht)	0.48		0.18			

For the first six months of 2021, The Company's has revenue from sale of goods and rendering of services amounted to THB 960.1 million, increasing by THB 22.2 million or 2.4% from the last year. Gross Profit margin increased from 20.8% in the previous year to 28.8% from ability to manage cost efficiency and appropriate control selling and administrative expenses. In addition, the Company's has profit sharing of investments in an associate and joint ventures increasing by THB 40.3 million or 35.7% from the rapidly increasing demand for IT products to support new normal of work and lifestyle after the coronavirus (COVID-19) pandemic. As a result, net profit amounted to THB 223.9 million, an increase of THB 141.4 million or 171.3% from the last year.

On 11 August 2021, the meeting of the Board of Directors passed a resolution to approve the payment of interim dividend for the fiscal year 2021 at a rate of THB 0.10 per share (Interim dividend for the fiscal year 2020 at a rate of THB 0.06 per share), totaling THB 46.2 million. The interim dividend payment is scheduled on September 2021.

Please kindly be informed accordingly.

Sincerely yours,

(Jutiphan Mongkolsuthree)
Managing Director