



November 12, 2021

To: Director and Manager

The Stock Exchange of Thailand

Subject: Management discussion and analysis for Q3/2021 (Translation from Thai version)

We, Thai O.P.P. Public Company Limited (the "Company") would like to submit the interim financial statements for the third quarter and for nine-month period ended September 30, 2021 compare with the same period last year.

The operating result of our company in the third quarter of year 2021 in the financial statements in which the equity method is applied statement of income, there was Baht 21.04 million of net profit, when compare to the last year same period's net profit which were Baht 27.99 million, it was decreasing Baht 6.95 million or 24.8%, it had differentiated more than 20%. Therefore, the Company would like to provide clarifications for the major changes as below.

The revenue from sales increased, with sales of Baht 389.66 million in the third quarter of last year to baht 399.04 million in the third quarter of this year, it was increasing Baht 9.38 million or 2.4%. While the gross profit decreased, with a gross profit of Baht 52.34 million in the third quarter of last year to baht 45.85 million in the third quarter of this year, it was decreasing Baht 6.49 million or 12.4%.

Most of them were directly related to the sticker business segment, with sales decreased in this period amount Baht 27.86 million or 24.9% from amount Baht 112.04 million in third quarter of last year to amount Baht 84.18 million in third quarter of this year decrease due to the situation from the spread of the COVID-19 virus in the first wave of last year consumers have a large demand for antiseptic products. As a result, there are many orders for adhesive labels for this group of products. especially during the first half of the last year. Later, there are more manufacturers of this group of products, giving consumers more choices, resulting in lower sales of customers. As a result, such orders began to decrease gradually. As a result, the company's sales decreased accordingly. Due to the massive decline in sales this year, the gross profit has dropped significantly. The gross profit decreased in this period amount Baht 14.01 million or 55.4 %.

While the plastic film business segment saw an increase in sales revenue, with sales of Baht 256.76 million in the third quarter of last year to Baht 290.70 million in the third quarter of this year or an increase of Bath 33.94 million or 13.2%, due to the cost of raw materials is increased by the price of plastic resin based on the market price, as a result, the sale price has to be adjusted higher. And the provision for inventory decreased by Baht 9.97 million, was reversed in the amount of Baht 1.62 million in the third quarter of this year, due to the inventories were sold out, while the third quarter of last year was a reserved of Baht 8.35 million, resulting in a gross profit increase of Baht 6.19 million or 24.8%.

Other income increased by Baht 3.32 million or 119.9%, with other income of Baht 2.77 million in the third quarter of last year to Baht 6.09 million in the third quarter of this year, mainly due to an increase in profits from sales of unit investment in mutual funds by Baht 1.44 million and an increase in sales of plastic film waste by Baht 1.18 million, due to increasing by the price of plastic resin based on the market price.

Corporate Income tax expenditure increased by Baht 2.59 million, largely due to the proportion of operating profit of businesses subject to investment promotion in the introduction of tax deductions, which decreased by about 10.9% compared to the previous year.

Other transactions have had insignificant changes.

Please be informed accordingly.

Yours faithfully,

Suthee Limatibul
Managing Director

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