



November 12, 2021

To : Managing Director
The Stock Exchange of Thailand

Subject : Performance for 3rd quarter for year 2021 is lower than the same period of last year more than 20 %

T. Krungthai Industries Public Co., Ltd. operation analysis for 3rd quarter for the year 2021 ended 30th September 2021 posted a net loss of 8.00 million Baht compared to the same period of prior year at net loss 4.11 million Baht or loss more than 3.89 million Baht or more than 20% mainly due to the following causes:

1. Although the company sales increases 22.97 million Baht or 9.56% when compared to the same period of prior year which comes from plastic sales increasing 4.22% or 9.47 million Baht and mold sales increasing 85.04% or 13.49 million Baht, however when we compared to the sales of 1st quarter and 2nd quarter of this year, the sales of 3rd quarter decreased 12.9% and 11.5% respectively specially in July and August sales decreased dramatically as the result of the COVID-19 pandemic, it made the main customer stopped production line about 75% of their overall production. The company could not reduce the production capacity to be relevant to the decrease of sales proportionately in term of both manpower and machine capacity as well as still maintain the capacity in order to reserve for increasing sales if the situation return to normal. While prior year the COVID-19 situation started from April 2020 and became better in 3rd quarter, it made the company manage the capacity better than this year as well as last year the Government had supported the manufacturers in various aspects i.e. reduce the electricity costs from Q2 2020 to Q1 2021, financial support, etc. and the gas price of this year has increased continuously which it impacts to the transportation costs of company.
2. Cost of goods sold and service increases in the amount of 26.75 million Baht or 12.96 %. The increase of costs is higher than the increase of sales. Although the company put hard effort to reduce the costs such as improving the production process, controlling

บริษัท ที.กรุงไทยอุตสาหกรรม จำกัด (มหาชน)
T.KRUNGTHAI INDUSTRIES PUBLIC CO.,LTD.

the production costs, etc., the dramatically decrease from 1st quarter and 2nd quarter, the company couldn't reduce the production capacity proportionately with sales decreasing. Additionally, the sales of this year come from a lot of new model sales resulting to the higher defect rate and some business unit has the fewer sales from the painting process which impacted to the vacant paint booth capacity as well as the painted plastic products can have more value added and more profit than plain plastic products. Moreover, the sales from moulding services have less profit due to high competition from local and oversea competitors.

With the results of item 1 and 2, the gross profit margin decreases 3.78 million Baht from unable to reduce the production capacity proportionately with decreasing sales from 1st quarter and 2nd quarter and lower productivity from high defect rate of new model part sales as well as lower profitability of molding sales from high competition resulting to higher costs of sales and services compared to the same period of prior year.

3. Sales and administrative expenses increases by 3.41 million Baht or about 15.35 % of sales when compared to the same period of last year, Sales and administrative expenses was about 15.51% of sales mainly due to the research and development expenses increasing 1.96 million Baht from the same period of prior year from receiving more new model pieces.

In conclusion from item 1 to 3 it has given the company loss from our performance of 7.19 million Baht and when adding up the increase of other revenue, the decrease of interest expenses and netting with tax expense 1.13 million Baht, which loss increases 3.89 million Baht compared to the same period of last year or more than 20 %.

Please be informed accordingly.

Respectfully yours,



Chumpol Techakraisri

Asst. Managing Director