

(Translation)

February 21, 2022

Subject : Management Discussion and Analysis on operating result for the year 2021.

Attention : Director and Manager of the Stock Exchange of Thailand

Thanulux Public Company Limited would like to clarify the performance of the Company and its subsidiaries. As shown in Comprehensive Income Statement for the year ended on 31 December 2021, the Company and its subsidiaries net sales was Baht 1,332.66 million, increases Baht 213.52 million or 19.08 percent from the same period of 2020, with net profit of Baht 62.64 million, increases Baht 51.88 million or 482.28 percent from the same period of 2020.

The operation result for 2021 increased from the same period of 2020. The reasons are as follow:

1. In 2020, the global economy has been affected by the coronavirus (COVID-19) epidemic crisis and various measures of the Government sector to control the spread of the virus have resulted to Thai economy which has been shrinking in all business sectors, including the export sector, which was affected by the demand of trading partners. The Company consider to various measures as necessary for cost control and resizing the production force to suit the situation.

2. In 2021, factors affecting operating results:

2.1 Increase of sales at the amount of Baht 213.52 million or 19.08 percent due to

2.1.1 Domestic sales increased 8.24 percent

The economic circumstance is still slows down due to the economy has been affected by the coronavirus (COVID-19) epidemic crisis. The customers are more carefully in spending. Furthermore the behavior of customers are changing resulted to highly competitive in every channel of distribution but the company expanded its sales channels in corporate customers and online channel to replace the old domestic sales channels that have not recovered.

2.1.2 Export sales increased 37.81 percent

- Orders: Existing customers increase their orders due to the expanding online distribution channels, including receiving orders from new customers.

- Exchange rate: Baht depreciated comparing to Euro, US Dollars and Japanese Yen.

2.2 Increasing of sales proportion of products which higher price.

2.3 Proportion of cost of goods sold to sales revenue in 2021 was 71.35 percent, increased 2.62 percent compared to 73.97 percent in 2020 due to increase in sales quantity and high price competition, including Baht depreciation comparing to Euro, US Dollars and Japanese Yen.

The Company will continuously assess and monitor the business situation and will consider to various measures as necessary for cost control and resizing the production force to suit the situation to reduce the business impact and sustain the business.

Please kindly acknowledge and publicize accordingly.

Faithfully Yours,

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Chief Executive Officer, Chief Financial Officer

