

Ref: PCL 2022/009

May 9, 2022

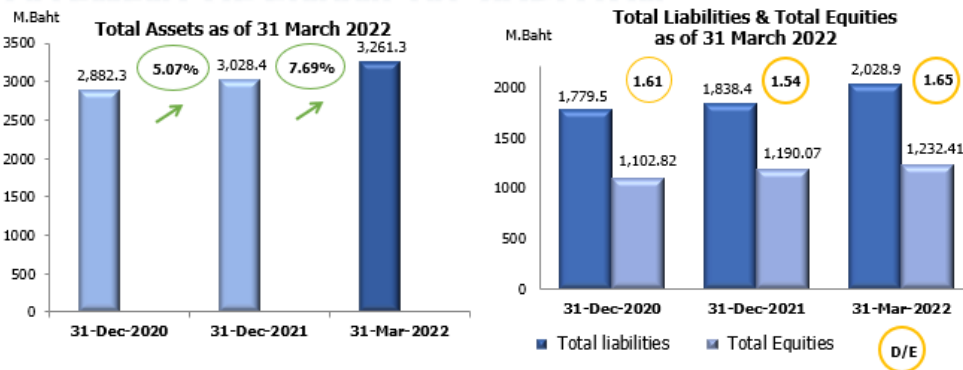
Subject: Management Discussion and Analysis for the 3-month period ended 31 March 2022

To: The President of the Stock Exchange of Thailand

Panjawattana Plastic Public Company Limited and its subsidiaries ("the Company") would like to clarify herewith the financial position and operating result for the 3-month period ended 31 March 2022 as follows: -

Financial Position

STATEMENT OF FINANCIAL POSITION



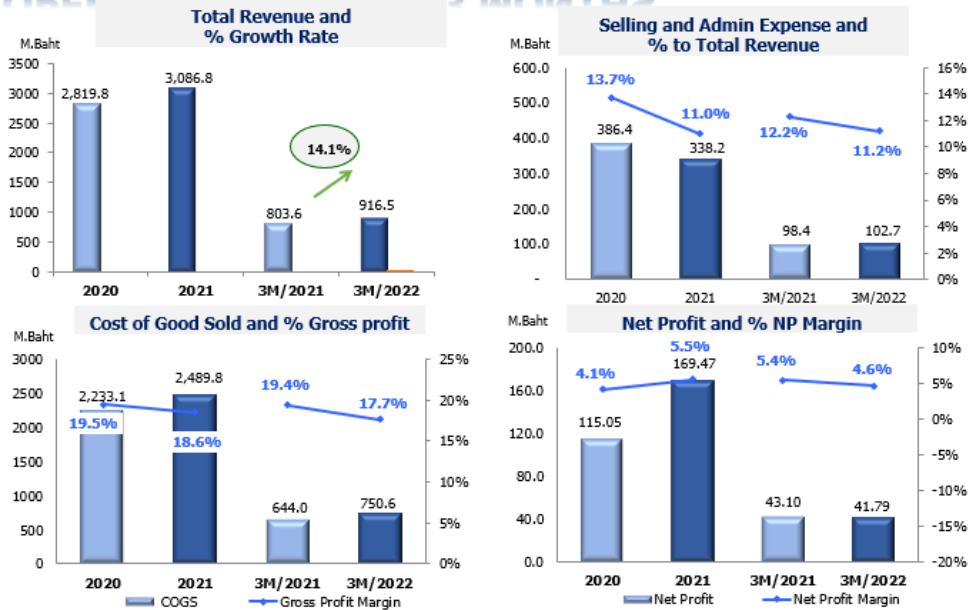
As at 31 March 2022, total consolidated assets of the Company and its subsidiary increased by 232.89 million baht or 7.69% compared with last year. Total current assets increase 113.47 million baht mainly caused by Trade and other receivable increased 170.02 million baht due to sales increased compare with the late of last year. Non-current assets increased by 119.42 million baht due to in January the Company invested in Master Laundry Co., Ltd with a goodwill value of 40.3 million baht booked in the consolidation financial statement. The Company is in the process of evaluating the fair value of assets and liabilities acquired through business acquisition as disclosed in Note 12 to the financial statements from the said business acquisition. In addition, non-current assets increased from the value of equipment and the right to use assets derived from business acquisition.

As at 31 March 2022, the consolidated liabilities of the Company and its subsidiary increased by 190.55 million baht or 10.37% compare with last year. This amount was an increase in current liabilities (excluded current portion of long-term loan) 234.43 million baht mainly from trade and other payable and short-term loan to support increased in operating assets and business acquisition. Long-term loan and finance lease liabilities (included current portion of long-term loan) decreased by Baht 43.88 million from loan repayment.

The Company's debt to equity ratio as at 31 March 2022 is 1.65 times. (as at 31 December 2021 is 1.54 times).

Operating result

OPERATING RESULT: 3 MONTHS



The consolidated net profit of the Company and its subsidiary for the period 3-month ended 31 March 2022 was 41.79 million baht, decreased by 1.30 million baht or 0.80% compare with same quarter of last year. The main reasons were as follows:

1. The consolidate revenue increased by 112.88 million baht or 14.05 percent due to increase in overall packaging sales by 11.2 percent, especially from lubricant packaging and milk and fermented milk packaging as the economy begins to recover and fears of the severity of the COVID-19 epidemic has eased, causing domestic travel and consumption to return to normal. In the auto parts business, sales grew by 7.7 percent because of new models that started commercial sales at the beginning of the quarter.
2. The consolidate gross margin equal to 17.7 percent, a decrease from the previous year of 19.4 percent due to the price of plastic resins, the main raw material, continuously rising in accordance with the situation of crude oil prices in the world market, which has an upward trend as well as the currency baht that has weakened. However, the adjustment of the selling price according to the raw material price cannot be done immediately. It will take a while according to the conditions for adjusting the price of each customer. However, the Company periodically considers the price of plastic granules both domestically and internationally to reduce the impact of raw material fluctuations.
3. The consolidated net profit margin was 4.6%, a decrease from the same quarter of the previous year that the total net profit margin was 5.4% due to the lower gross margin as mentioned above. However, the company can reduce the ratio of administrative expenses to sales, resulting in a slight decrease in net profit.

Sincerely yours

(Mrs. Prim Chaiyawat)

Company's Secretary