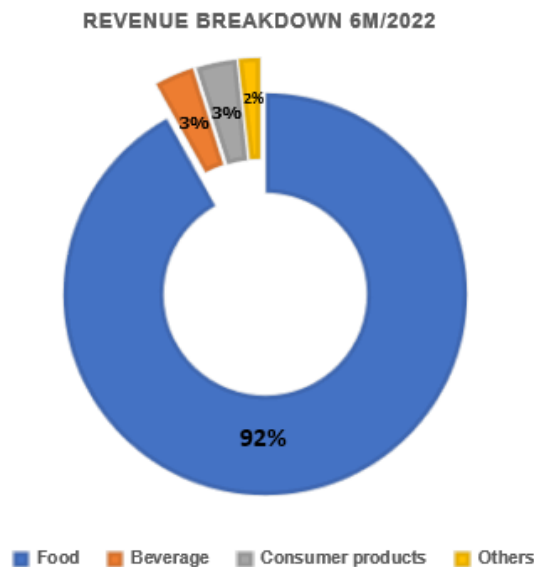




Management Discuss and Analysis For the second quarter ended June 30, 2022

Executive Summary

In the first half of 2022 , the company continues to focus on expanding its business with caution, trying to balance production at full capacity with receiving orders from customers to control production costs and to keep the delivery schedule within the set targets on an ongoing basis. As a result, the company's revenue from sales and services increased by 7.4 million baht or increased by 2.6%(YoY). The main customers are still customers in the food business with 92 % share.



The proportion of revenue from corrugated products (Offset Printing Corrugated Folding Box) compared to revenue from non-corrugated products (Offset Printing Folding Box) was 58:42, different from the first 6 months of 2021 that had the proportion of revenue from corrugated products (Offset Printing Corrugated Folding Box) compared to revenue from non-corrugated products (Offset Printing Folding Box) equal to 48:52. This increase in corrugated products caused the company to hire third party to perform some production steps due to the order exceeds the production capacity of corrugated products. As a result, the production cost of corrugated products and cost of sales and services have increased. However, new single facer corrugated machine and laminated machine will be purchased within this year. When the installation of such machines is completed, it will be able to manage production cost of corrugated products better. As for the installation of other types of machinery according to the capacity expansion plan, when completed, it will be able to serve additional orders from customers both corrugated products and non-corrugated products significantly.



Performance Analysis

Operating results of the financial statement for 3 months ended June 30, 2022

Income Statement (Million Baht)	Q2/2022	Q1/2022	Q2/2021	Change (QoQ)		Change (YoY)	
				Million	%	Million	%
Revenue from sales and services	144.8	145.3	145.0	(0.5)	(0.3)	(0.2)	(0.1)
Gross Profit	51.2	54.0	59.9	(2.8)	(5.2)	(8.7)	(14.5)
Total revenue	5.1	4.6	4.5	0.5	10.9	0.6	13.3
Distribution costs	4.1	3.9	4.1	0.2	5.1	0.0	0.0
Administrative expenses	14.9	12.9	13.9	2.0	15.5	1.0	7.2
Finance costs	1.4	1.3	1.6	0.1	7.7	(0.2)	(12.5)
Profit before income tax	35.8	40.5	44.8	(4.7)	(11.6)	(9.0)	(20.1)
Tax expense	4.2	7.8	8.8	(3.6)	(46.2)	(4.6)	(52.3)
Net.Profit	31.5	32.6	35.9	(1.1)	(3.4)	(4.4)	(12.3)

Operating results of the financial statement for Q2/2022 compared to Q1/2022 showed a decrease in profit of 1.1 million Baht or a decrease of 3.4% mainly due to the following reasons.-

- Gross profit decreased by 2.8 million Baht or 5.2% because the company had to hire outsiders to produce more in some steps, especially the corrugated products that have a higher proportion of sales and conversion costs rose in line with inflation from rising oil prices.
- Administrative expenses increased by 2.0 million Baht or 15.5% due to public relations expenses for listing on the Market for Alternative Investment (MAI) of 1.3 million Baht and directors' remuneration increased by 0.6 million Baht.
- Income tax expenses decreased by 3.6 million Baht or 46.2% due to expenses directly related to listing on the Market for Alternative Investment (MAI) which were deducted from the premium on ordinary shares in the statement of financial position were realized as taxable expenses on corporate tax calculation that caused corporate tax amount was reduced by 2.8 million Baht and the net profit before tax decreased by 4.7 million Baht.



Operating results of the financial statement for Q2/2022 compared to the Q2/2021 showed a decrease in profit of 4.4 million Baht or 12.3%, mainly due to the following reasons.-

- Gross profit decreased by 8.7 million Baht or 14.5% because of the following reason 1) The company had to hire outsiders to do more production in some steps, especially the corrugated products that have a higher proportion of sales 2) Conversion costs rose in line with inflation from rising oil prices 3) The price of paper as the main raw material also increased. 4) An increase in employee expenses due to the transfer of salaries and other benefits of the two executives directly supervising production to be included in the cost of production. This criterion has been applied since 3Q2021 onwards.
- Administrative expenses increased by 1.0 million Baht or 7.2% due to public relations expenses for listing on the Market for Alternative Investment of 1.3 million Baht and directors' remuneration increased by 0.6 million Baht, less the decrease of employee expenses due to the transfer of salaries and other benefits of the 2 executives directly supervising production to be included in the cost of production by applying this criterion since 3Q2021 onwards.
- Income tax expenses decreased by 4.6 million Baht or 52.3% due to expenses directly related to listing on the Market for Alternative Investment (MAI) which were deducted from the premium on ordinary shares in the statement of financial position were realized as taxable expenses on corporate tax calculation that caused corporate tax amount was reduced by 2.8 million Baht and the net profit before tax decreased by 9.0 million Baht.

Operating results of the financial statement for 6 months ended June 30, 2022

Income Statement (Million Baht)	6M/2022	6M2/2021	Change (YoY)	
			Million	%
Revenue from sales and services	290.1	282.7	7.4	2.6
Gross Profit	105.3	117.7	(12.4)	(10.5)
Total revenue	9.8	8.6	1.2	14.0
Distribution costs	8.1	8.1	0.0	0.0
Administrative expenses	27.8	27.5	0.3	1.1
Finance costs	2.7	3.2	(0.5)	(15.6)
Profit before income tax	76.3	87.3	(11.0)	(12.6)
Tax expense	12.1	17.1	(5.0)	(29.2)
Net Profit	64.2	70.1	(5.9)	(8.4)



Operating results of the financial statements for 6M/2022 ending June 30, 2022 compared to the same period of the previous year showed a decrease in profit of 5.9 million Baht or 8.4%, mainly due to the following reasons.-

- Revenue from sales of goods and services was 290.1 million Baht, increased by 7.4 million Baht or 2.6%, mainly from the same large customers, mainly producers and distributors of canned seafood & processed seafood, has increased production orders continuously.
- Gross profit was 105.3 million Baht, decreased by 12.4 million Baht or 10.5% due to the following reasons.
1) the price of paper and conversion costs have risen. 2) hiring outsiders to produce orders that exceed the existing capacity. 3) an increase in employee expenses due to the transfer of salaries and other benefits of 2 executives who directly oversee the production work to be included in the cost of production: This criteria has been applied since 3Q2021 onwards.
- Other income increased by 1.2 million Baht or 14.0% due to income from the sale of scrap materials from production which increases with increasing production volume and selling price.
- Administrative expenses were 27.8 million Baht increased by 0.3 million Baht or 1.1% mainly due to an increase in public relations expenses for listing on the Market for Alternative Investment (MAI) of 1.3 million Baht and an increase of directors' remuneration by 0.8 million Baht, net of a decrease in employee expenses due to transfers of salaries and other benefits of the 2 executives who directly take care of the production work to be included in the cost of production: applying this criterion since 3Q2021 onwards.
- Net profit decreased by 5.9 million Baht or 8.4% mostly caused by increased cost of sales and services.



Financial Position

Total Financial Position (Million Baht)	30 June 2022	31 December 2021	Change	
			Million	%
Total current assets	554.1	188.7	365.4	193.6
Total non-current assets	293.0	299.7	(6.7)	(2.2)
Total assets	847.1	488.4	358.7	73.4
Total current liabilities	106.1	104.0	2.1	2.0
Total non-current liabilities	127.9	138.8	(10.9)	(7.9)
Total Liabilities	234.1	242.8	(8.7)	(3.6)
Share capital	100.0	74.6	25.4	34.0
Premium on share capital	417.7	-	417.7	
Retained earnings	95.3	171.0	(75.7)	(44.3)
Total shareholders' equity	613.0	245.6	367.4	149.6

Assets

As of June 30, 2022, total assets were 847.1 million Baht, increased by 73.4% from the end of 2021.

Current assets increased by 365.4 million Baht or 193.6%, mainly due to

- Cash and bank deposits increased by 282.8 million Baht from sale of newly issued shares.
- Trade accounts receivable and other receivables increased by 49.4 million Baht due to an increase in trade accounts receivable of 17.2 million Baht, in line with the increase in sales and the deposit for the purchase of machinery and the deposit under the factory construction contract increased by 33.6 million Baht.
- Inventories increased by 8.5 million Baht from raw materials increased by 14.4 million Baht to reduce the risk of price increases and finished goods and goods in transit decreased by 3.3 million Baht and 2.5 million baht, respectively.
- Other current financial assets increased by 25.0 million Baht from debt securities purchased under resale agreements to manage excess liquidity.

Non-current assets decreased by 6.7 million Baht or decreased by 2.2%, mainly due to the construction in progress of both factories and warehouses, which increased by 11.6 million Baht and forklifts increased by 2.1 million Baht according to the capacity expansion plan, bank deposits in fixed deposit accounts decreased by 8 million baht due to account closure after cancellation of credit line guarantees. and depreciation of buildings and equipment and amortization of right-of-use assets 15.2 million Baht.

**Liabilities**

As of June 30, 2022, total liabilities were 234.1 million Baht, decreased by 3.6% from the end of 2021, consisting of current liabilities of 106.1 million Baht, increased by of 2.1% and non-current liabilities of 127.9 million Baht, decreased by 7.9% from pay off long-term loans by installments when they mature.

Shareholders' Equity

As of June 30, 2022, total shareholders' equity were 613.0 million Baht, increased by 367.4 million Baht or 149.6% from the end of 2021 from an increase in registered capital of 25.4 million Baht and an increase in share premium of 417.7 million Baht from the sale of capital increase shares to be listed on the Market for Alternative Investment (MAI) and retained earnings decreased by 140.0million Baht from the dividend payments from the net profit of 2021 and increased by 64.2 million Baht from the operating results in first half year of 2022.

Significant financial ratios

Financial Ratios	30 June (YoY)	
	2022	2021
Gross Profit Margin (%)	36.3	41.6
Net Profit Margin (%)	21.4	24.1
Earnings per share (THB) *	0.8	23.4
Return on Assets (%)	17.7	25.9
Return on Equity (%) **	29.0	70.4
Current ratio (Times)	5.2	1.3
Debt to Equity ratio (Times)	0.4	1.4
Book value per share (THB)	6.1	3.29

* Weighted average number of ordinary shares for end of June 30, 2022 and June 30, 2021 are 77,827,624 shares and 3,000,000 shares respectively.

** calculated by divide 1 year period backward net profit by average Shareholders' Equity.



Liquidity and Capital Resources

Statement of Cash Flows (Million Baht)	30 June 2022	31 December 2021	Change	
			Million	%
Cash flows from Operating Activities				
Net cash provided by operating activities	37.2	50.4	(13.2)	(26.2)
Cash flows from Investing Activities				
Net cash used in investing activities	(42.6)	(2.9)	(39.7)	1,369.0
Cash flows from Financing Activities				
Net cash used in financing activities	288.1	(49.8)	337.9	(678.5)
Net increase (decrease) in cash and cash equivalents	282.7	(2.3)	285.0	(12,391.3)
Cash and cash equivalents at beginning of the period	21.8	14.2	7.6	53.5
Cash and cash equivalents at end of the period	304.5	11.8	292.7	2,480.5

As of June 30, 2022, the Company had cash and net cash equivalents amounting to 304.5 million Baht: Net cash flow from operating activities of 37.2 million Baht. Net cash flows used in investing activities of 42.6 million Baht, mainly from investments in debt securities purchased under resale agreements of 25.0 million Baht. Net cash flows from financing activities of 288.1 million Baht, mostly from the sale of new shares for listing on the Market for Alternative Investment (MAI).