

Ref. SF 091 /2022

9 November 2022

Re Management Discussion and Analysis which are deviated more than 20% for 3<sup>rd</sup> Quarter 2022

Attn. The President  
 The Stock Exchange of Thailand (SET)

Starflex Public Company Limited would like to notify the operating results stated in financial statements which are deviated more than 20% for the 3<sup>rd</sup> quarter 2022. The details will be shown as follows.

### Operational reports

Unit:Milion Baht

Gain/Loss	CONSOLIDATED		CHANGE (YOY)	
	Q3/2022	Q3/2021	AMT	%
<b>Total Revenue</b>	<b>424.6</b>	<b>460.9</b>	<b>(36.3)</b>	<b>(7.9)</b>
<b>GP</b>	<b>45.3</b>	<b>66.4</b>	<b>(21.1)</b>	<b>(31.8)</b>
Selling Expense	9.4	9.0	0.4	4.9
Admin Expense	35.7	31.6	4.1	13.1
Financial cost	1.5	1.0	0.5	47.5
Tax	0.7	3.3	(2.6)	(78.9)
<b>Total Cost and Exp.</b>	<b>419.7</b>	<b>417.5</b>	<b>2.1</b>	<b>0.5</b>
<b>Net Profit</b>	<b>5.0</b>	<b>43.3</b>	<b>(38.4)</b>	<b>(88.5)</b>

In Q3/2022, the total revenues were 424.6 million, decreased by 7.9% compared to total revenues 460.9 million in Q3/2021. And the Company's gross profits were 45.3 million decreased by 31.8% from 66.4 million in Q3/2021. A rising of raw material costs affected from the rising of the oil price and the US. Dollar exchange rate lately were the main reason that caused gross profit decreasing. However, many of raw material prices have been lower recently, which should lead to an improvement in future performance.

In Q3/2022, selling expenses were 9.4 million increased by 4.9% compared to 9.0 million in Q3/2021. The mainly increased in selling expenses were the transportation expenses, due to the increasing of the petrol prices recently. And administrative expenses of Q3/2022 were 35.7 million, increased by 13.1% compared to the same expenses 31.6 million in Q3/2021. The main reason of increasing in the administrative expenses was the

consulting fees of couple investment projects recently, and the travel expenses on a business trip to visit a plant in Vietnam. In Q3/2022, financial expenses were 1.5 million, increased 47.5% compared to 1.0 million in Q3/2021. Due to the company had engaged to long-term loans for construction a new plant as well as invest in new machines and equipment. As a result, the net profits in Q3/2022 were 5.0 million.

## **Statement of Financial Position**

### **Assets**

In Q3/2022, the company had total assets of 1,634.3 million, increased 8.5% from 1,506.6 million in 2021, where the increasing assets mainly comprised of increasing in cash or equivalent 26.5 million, increasing in Inventories 55.6 million, and increasing in Property, Plant and Equipment 100 million. All these increasing incurred from new plant construction, invest in new machines, and inventories, were prepared for the company's future business.

### **Liabilities**

In Q3/2022, the company had total liabilities of 682.2 million, increased 24.9% from 546.3 million in 2021. The increasing of liabilities in Q3/2022, mainly due to the company had borrowed more, to invest in new plant construction and also due to the increasing in account payable, to support the company strategy on stocking raw materials in advance.

### **Equities**

In Q3/2022, the company had the equities of 952.1 million, decreased 8.2 million from year ended 2021 decreased by 0.9%.

Yours Sincerely,

Somchai Wongrassamee

Chief Financial Officer

Starflex Public Company Limited