



Management Discuss and Analysis For the third quarter ended September 30, 2022

Executive Summary

In the third quarter of 2022, the Company expanded its business in accordance with the objectives of using the funds stated in the prospectus, hired a contractor to build a new factory with area of 5,160 square meters, (scheduled to complete in December 2022), and purchased additional machineries from oversea, with a preliminary delivery scheduled from September 2022 to March 2023. Production capacity from existing machineries in the quarter has not changed materially. Outsourcing productions for some processes caused by orders exceeding capacity still persist, but decrease in volume. The main raw material, paper, were purchased at slightly higher prices than previous quarter.

The company had revenue from sales and services in the quarter 148 million Baht, increase from the previous quarter 3.2 million Baht or increased by 2.2%. Net profit was 29.7 million Baht, decrease from the previous quarter 1.8 million Baht or decreased by 5.7%.

Performance Analysis

Operating results according to the financial statements for 3 months ended September 30, 2022

Income Statement (Million Baht)	Q3/2022	Q2/2022	Q3/2021	Change (QoQ)		Change (YoY)	
				Million	%	Million	%
Revenue from sales and services	148.0	144.8	135.1	3.2	2.2	12.9	9.5
Gross Profit	51.9	51.2	48.3	0.7	1.4	3.6	7.5
Total revenue	5.6	5.1	4.5	0.5	9.8	1.1	24.4
Distribution costs	4.1	4.1	3.8	0.0	0.0	0.3	7.9
Administrative expenses	15.4	14.9	13.1	0.5	3.4	2.3	17.6
Finance costs	1.2	1.4	1.6	(0.2)	(14.3)	(0.4)	(25.0)
Profit before income tax	36.8	35.8	34.3	1.0	2.8	2.5	7.3
Tax expense	7.1	4.2	6.6	2.9	69.0	0.5	7.6
Net Profit	29.7	31.5	27.7	(1.8)	(5.7)	2.0	7.2



Operating results of the financial statements for Q3/2022 compared to Q2/2022 showed a decrease in profit of 1.8 million Baht or decreased by 5.7%, mainly due to the following reasons:-

- Revenue from sales and services increased by 3.2 million Baht or increased by 2.2%.
- Income tax expenses increased by 2.9 million Baht or increased by 69.0% due to the Q2/2022 expenses directly related to listing on the MAI Stock Exchange, which were deducted from the excess value of ordinary shares in the financial statements, were realized as tax expenses in the calculation of corporate tax.

Operating results of the financial statements for Q3/2022 compared to Q3 /2021 showed a increased in profit of 2.0 million Baht or increased by 7.2%, mainly as following reasons.-

- Revenue from sales and services increased by 12.9 million Baht or increased by 9.5% because Revenue in Q3/2021 was hit by COVID-19 Situation.
- Other revenues increased by 1.1 million Baht or 24.4% due to revenue from the sale of scrap materials from production, which increased both volumes and sales prices.
- Administrative expenses increased by 2.3 million Baht or 17.6%, mainly due to losses from disposal of building and land improvements of 2.1 million Baht to construct a new factory.

Operating results of the financial statements for 9 months ended September 30, 2022

Income Statement (Million Baht)	9M/2022	9M/2021	Change (YoY)	
			Million	%
Revenue from sales and services	438.1	417.9	20.2	4.8
Gross Profit	157.3	166.1	(8.8)	(5.3)
Total revenue	15.4	13.2	2.2	16.7
Distribution costs	12.3	12.0	0.3	2.5
Administrative expenses	43.2	40.7	2.5	6.1
Finance costs	4.0	4.9	(0.9)	(18.4)
Profit before income tax	113.2	121.7	(8.5)	(7.0)
Tax expense	19.2	23.8	(4.6)	(19.3)
Net Profit	94.0	97.9	(3.9)	(4.0)



Operating results of the financial statements for 9 months ending September 30, 2022 compared to the same period last year showed a decrease in profit of 3.9 million Baht or 4.0%, mainly due to the following reasons.-

- Revenue from sales of goods and services was 438.1 million Baht, increase by 20.2 million Baht, or 4.8%, mainly from the same large customers (the producers and distributors of canned seafood & processed seafood) has increased production orders continuously.
- Gross profit was 157.3 million Baht, decreased by 8.8 million Baht or 5.3% due to following reasons 1) the increase in paper price and conversion costs 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 2.2 million Baht or 16.7% due to income from the sale of scrap materials from production which increases both production volume and selling price.
- Administrative expenses were 43.2 million Baht, increase by 2.5 million Baht or 6.1% mainly due to an increase in public relations expenses for listing on the Market for Alternative Investment (MAI) of 1.3 million Baht and losses from disposal of building and land improvements of 2.1 million baht to construct a new factory, less decrease of employee costs due to the transfer of salaries and other benefits of 2 executives who directly supervise the production work to the total cost of production. This criteria has been adopted since 3Q2021 onwards.
- Income tax expense decreased by 4.6 million Baht or decreased by 19.3% due to expenses directly related to listing on the MAI Stock Exchange, which were deducted from the excess value of ordinary shares in the financial statements perceived as tax expenses in the calculation of corporate tax.



Financial Position

Total Financial Position (Million Baht)	30 September 2022	31 December 2021	Change	
			Million	%
Total current assets	545.2	188.7	356.5	188.9
Total non-current assets	309.6	299.7	9.9	3.3
Total assets	854.8	488.4	366.4	75.0
Total current liabilities	107.2	104.0	3.2	3.1
Total non-current liabilities	124.8	138.8	(14.0)	(10.1)
Total Liabilities	232.0	242.8	(10.8)	(4.4)
Share capital	100.0	74.6	25.4	34.0
Premium on share capital	417.7	-	417.7	
Retained earnings	105.1	171.0	(65.9)	(38.5)
Total shareholders' equity	622.8	245.6	377.2	153.6

Assets

As of September 30, 2022, total assets increase were 366.4 million Baht, or increase by 75.0% from the end of 2021, due to an increase in current assets of 356.5 million Baht, or increased by 188.9%, mainly due to

- Cash and bank deposits increased by 59.4 million Baht caused by the remaining liquidity from operating result.
- Trade receivables and other receivables increased by 34.0 million Baht. Most of them are deposit payment of machineries ordered under the plan to expand the production capacity by 31.3 million Baht.
- Other current financial assets increased by 261.4 million Baht caused by the investment of remaining liquidity from the fund of the sale of additional shares.

Liabilities

As of September 30, 2022, total liabilities were 232.0 million Baht, decreased by 10.8 million Baht or 4.4% from the end of 2021, mainly due to non-current debt decreased by 14.0 million Baht or 4.4% due to repayment of loans and lease liabilities on a periodic basis at maturity of 14.6 million Baht



Shareholders' Equity

As of September 30, 2022, total shareholders' equity were 622.8 million Baht, increased by 377.2 million Baht or 153.6% from the end of 2021 from an increase in registered capital of 25.4 million Baht, excess ordinary share value 417.7 million Baht from the sale of capital increase shares to be listed on the Market for Alternative Investment (MAI), operating results in the nine months period of 2022 94.0 million Baht and dividends payment 160 million Baht.

Significant financial ratios

Financial Ratios	30 September (YoY)	
	2022	2021
Gross Profit Margin (%)	35.9	39.7
Net Profit Margin (%)	20.7	22.7
Earnings per share (THB) *	1.1	15.3
Return on Assets (%)	18.5	26.4
Return on Equity (%) **	31.4	68.8
Current ratio (Times)	5.1	1.4
Debt to Equity ratio (Times)	0.4	1.3
Book value per share (THB)	6.2	2.9

* Weighted average number of ordinary shares for the end of September 30, 2022 and September 30, 2021 are 85,299,634 shares, and 6,409,524 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 September 2022	31 December 2021	Change	
			Million	%
Cash flows from Operating Activities				
Net cash provided by operating activities	116.8	126.0	(9.2)	(7.3)
Cash flows from Investing Activities				
Net cash used in investing activities	(320.4)	(23.3)	(297.1)	1,275.1
Cash flows from Financing Activities				
Net cash used in financing activities	263.0	(95.1)	358.1	(376.6)
Net increase (decrease) in cash and cash equivalents	59.4	7.6	51.8	681.6
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	81.2	21.8	59.4	272.5

As of September 30, 2022, the Company had cash and net cash equivalents 81.2 million Baht. Net cash flow from operating activities 116.8 million baht. Net cash flows used in investment activities 320.4 million Baht, mainly from investment of 261.4 million Baht to efficiently manage excess liquidity and net cash flows acquired in financing activities 263.0 million Baht, mostly from the sale of new shares for listing on the Market for Alternative Investment (MAI).