

No. Tapac 3/2023

Date : January 30, 2023

Subject : Explanation about TAPACO Plc.'s Financial Performance of Year 2022 Ended October 31, 2022

To: The Director and The President of The Stock Exchange of Thailand

According to TAPACO PUBLIC COMPANY LIMITED and its subsidiary ("TAPAC") were prepared and submitted its reviewed consolidated financial statement of Year 2022 ended of October 31, 2022 to The Stock Exchange of Thailand, TAPAC would like to provide additional explanation in regard to its financial performance of Year 2022 in which it has total net Profit of 110.529 Million Baht, increase from the same period of last year at 737% which was 13.205 Million Baht. This was due to and the details are as follows:

1. TAPAC and it's subsidiary net sales and services income of Plastic Parts, Mold, Sales from Retails Business and Sales of Land in Thailand and Sweden by subsidiary are in amount of 1,333.73 million baht, increase from the same period of last year at 0.42% which was 1,328.16 Million Baht (Decrease from Mold Business and Retails of Cosmetic Business only). Gross Profit Margin is at 16.12%, increase from the same period of last year which was 15.69%. This is due to increase of Sales on plastic business.
2. C4Hus AB Properties Business Revenue is at 1,331.11 Million Baht, increase from the same period of last year at 1.70% which was 1,308.86 Million Baht.
3. TAPAC recognize of Share of Profit in Associated in the amount of 103.755 Million Baht. This is due to Sale of Shares in Premier Tank Corporation Thailand Plc (PTC).
4. The Auditor's Qualified Opinion is only for Retail of Cosmetic Business of Subsidiary. This is due to insufficient of man power and information. The subsidiary got effect from Covid 19 Situation since year 2020 and start Down Sizing when Sales Revenue reduced, the subsidiary closed the rental office and branch one by one, so the documents storage area had been change and some employees were resigned. Anyway the last branch of this business closed on November 2022 and The Company is taking action to investigate Account Receivable, Account Payable, etc that effect to Revenue & Cost by set up the team to collect the documents and corporate with suppliers to check the balance that plan to finish within end of April 2023.
5. TAPAC would like to explain about the result of reduce of profit of financial statement of year 2022 compare to Q3-2022 amount 90.135 million baht (loss on Q4/2022) that the major reasons are:
  - 5.1 C4Hus AB Sweden loss on Q4/2022 (before eliminate of related parties transaction) amount 40.61 million baht. This is due to restatement of financial statement of year 2021 (refer to Note Item 4 page 34). C4 Hus recognized understatement of trade and other account receivable and overstatement of inventory as of 31 October 2021. So the of year 2021 was understated amount 33.55 million baht. Restatement this amount from

financial statement in Q4/2022 and adjust to financial statement of year 2021 for compare. In additional, the subsidiary got effect from Russia vs Ukraine War that cause of Energy Price, Raw Material Price and Interest Rate become higher.

5.2 C4 Corporation loss on Q4/2022 (before eliminate of related parties transaction) amount 15.641 million baht. Major reason is increase of Corporate Income Tax of year 2022 increase from sales of shares in Premier Tank Corporation PLC amount 12.778 million baht in the year.

5.3 TAPAC loss on Q4/2022 (before eliminate of related parties transaction) amount 22.878 million baht. This is due to Raw Material Price (Plastic Resin) fluctuated in Year 2021-2022 (cause of Crude Oil Price). TAPAC adjusts calculation method base on accounting policy by use of actual cost in the year to reflect of operation cost.

5.4 C4 Global loss on Q4/2022 (before eliminate of related parties transaction) amount 12.509 million baht. Major reasons are from loss value of inventory, impairment and write off of assets due to branch close.

Yours Faithfully,

Mr. Soros Tangnaitham  
Managing Director