

Ref. SF012/2023

22 February 2023

Re Management Discussion and Analysis which are deviated more than 20% for the 12 month period ended 31 December, 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 for year ended 31 December 2022. The details will be shown as follows.

### Operational reports

Unit: Million Baht

Gain/Loss	CONSOLIDATED		CHANGE (YOY)	
	2022	2021	AMT	%
<b>Total Revenues</b>	<b>1,696.1</b>	<b>1,727.3</b>	<b>(31.2)</b>	<b>(1.8%)</b>
<b>Gross profit (GP)</b>	<b>238.1</b>	<b>313.3</b>	<b>(75.2)</b>	<b>(24.0%)</b>
Selling Expenses	37.6	34.1	3.5	10.1%
Admin Expenses	132.9	118.3	14.6	12.3%
Financial costs	2.9	3.9	(1.0)	(25.6%)
Taxes	9.6	7.5	2.1	0.3
<b>Total Cost and Exp.</b>	<b>1,641.0</b>	<b>1,577.9</b>	<b>63.1</b>	<b>4.0%</b>
<b>Net Profits (NP)</b>	<b>55.1</b>	<b>149.4</b>	<b>(94.3)</b>	<b>(63.1%)</b>

In 2022, total revenues were 1,696.1 million, decreased by 1.8% compared to total revenues 1,727.3 million in 2021. And company's gross profits were 238.1 million decreased by 24.0% from 313.3 million in 2021. As such, the net profit were 55.1 million (=NP margin 3.2%) and 149.4 million (=NP margin 8.6%) in 2022 and 2021 consecutively. There were two main reasons caused gross profits and net profits decreasing; first, the rising of raw material costs affected from the rising of the oil price and the rising of the US. Dollar exchange rate. Later, regards on a process of relocate all company's owned machines to a new plant, by doing this, it temporarily caused production cost increasing. However, these problems had been handle by purchasing and stocking raw materials more in advance, and

by adjusting selling price with all customers. However, the management has coped with these problems by stocking more raw materials in advance.

In 2022, selling expenses were 37.6 million increased by 10.1% compared to 34.1 million in 2021. The mainly increased in selling expenses were the transportation expenses, due to the increasing of the petrol prices recently. And administrative expenses of 2022 were 132.9 million, increased by 12.3% compared to the same expenses 118.3 million in 2021. The main reason of increasing in the administrative expenses was the consulting fees referred to the investment project in Vietnam. In 2022, financial expenses were 2.9 million, decreased 25.6% compared to 3.9 million in 2021. Due to the company has recently managed its working capitals more effectively.

### **Statement of Financial Position**

#### **Assets**

In 2022, the company had total assets of 1,601.9 million, increased 6.3% from 1,506.6 million in 2021, where the increasing assets mainly comprised of increasing in Property Plant and Equipment 145.3 million and cash or equivalent 26.5 million. All these increasing incurred from construction of new plant and investment new machines, in which, were prepared for the company's future business.

#### **Liabilities**

In 2022, the company had total liabilities of 616.5 million, increased 12.9% from 546.3 million in 2021. The increasing of liabilities in 2022, mainly due to the company had engaged more 90.7 million long term loan to spend mainly in construction of a new plant

#### **Equities**

In 2022, the company had the equities of 985.4 million, increased 2.6% from 960.3 million from year ended 2021. However, the company had paid the dividend of 36.9 million during the year 2022.

Yours Sincerely,

Somchai Wongrassamee

Chief Financial Officer

Starflex Public Company Limited