

Ref: PCL 2023/004

February 23, 2023

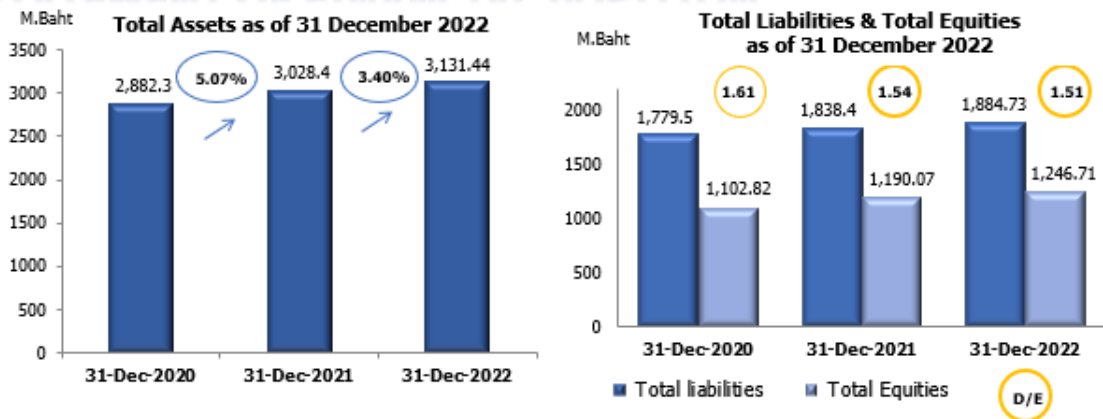
Subject: Management Discussion and Analysis for the year ended 31 December 2022

To: The President of the Stock Exchange of Thailand

Panjawattana Plastic Public Company Limited and its subsidiaries ("the Company") would like to clarify herewith the financial position and operating result for the year ended 31 December 2022 as follows: -

**Financial Position**

**STATEMENT OF FINANCIAL POSITION**



As of 31 December 2022, the consolidated financial statements of the Company and its subsidiaries had total assets increased by 103.0 million baht or 3.40% compared to the previous year. As for current assets, a decrease of 41.7 million baht was due to a decrease in trade and other receivables of 26.0 million baht due to sales during the last quarter of year 2022 less than the last quarter of year 2021. Whereas inventory increase by 5.1 million baht which is caused by higher value of raw materials. Cash and cash equivalent decreased by 19.8 million baht and unbilled receivable for project decreased by 20.9 million baht as it was already billed. As for non-current assets, an increase of 144.7 million baht mainly from the consolidation of non-current assets such as machinery and equipment including the right to use land and buildings of Master Laundry Co.,Ltd, the new subsidiary in the amount of approximately 70 million baht and also the recording of goodwill valued and intangible assets of 19.9 million baht and 13.5 million baht respectively. In addition, the company recognized account receivables under long-term contracts increased by 15.9 million baht. Other non-current asset increases by 22.3 million baht.

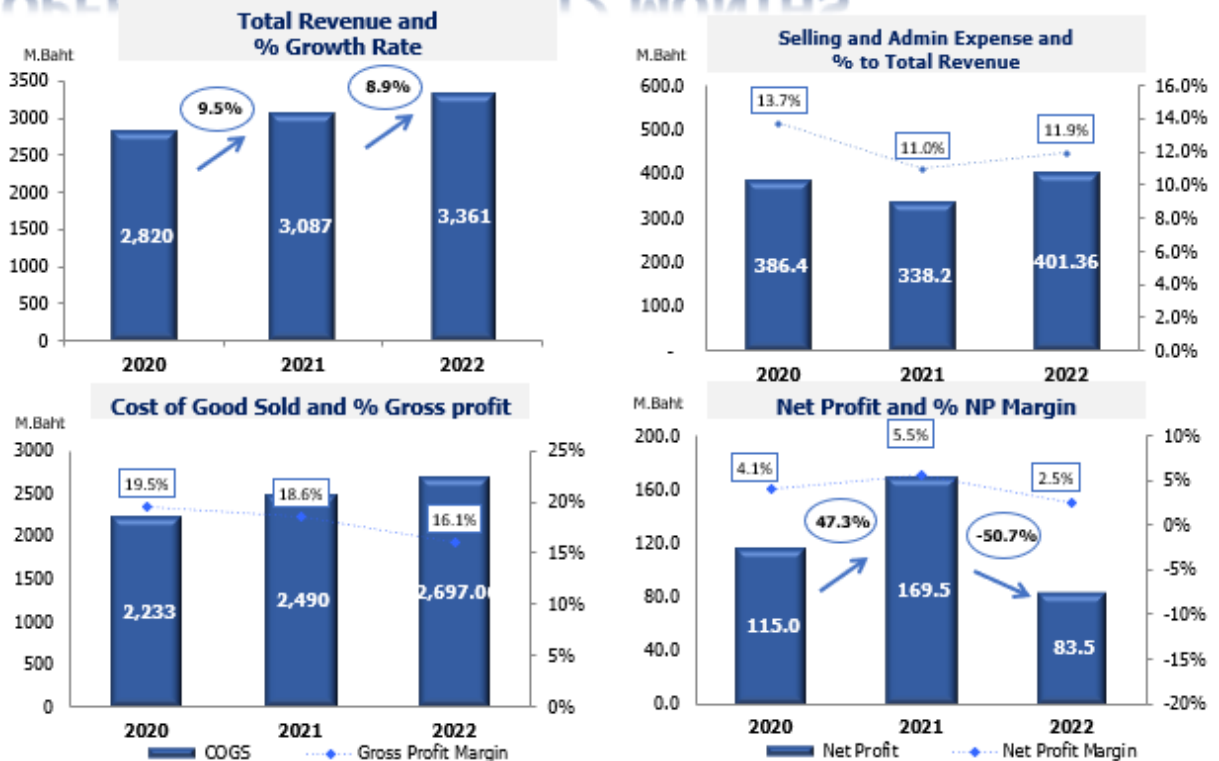
As of 31 December 2022, the consolidated financial statements of the Company and its subsidiaries had total liabilities increased by Baht 46.4 million or 2.52% compared to the previous year. This was an increase from current liabilities of 93.7 million baht, mainly from trade payables, other payables and short-term borrowings that increased to support higher purchase value of raw materials. As for long-term borrowings and lease liabilities, there was a decrease of 47.4 million baht.

The Company's debt to equity ratio as at 31 December 2022 is 1.51 times (as at 31 December 2021 is 1.54 times).



**Operating result**

**OPERATING RESULT: 12 MONTHS**



The consolidated net profit of the Company and its subsidiary for the year ended 31 December 2022 was Baht 83.5 million, decreased by Baht 85.9 million or by 50.7% compare with last year. The main reasons were as follows:

1. Total revenue increased by 274 million baht or 8.9% due to overall sales of the packaging industry that grew from the recovery of domestic consumption compared to last year that occurred the new wave of CIVID. In addition, the selling price gradually increased in accordance with the price of plastic resin. In terms of overall sales of the automotive industry slightly increase due to the Company was able to gain sales from new customers of the spray-painting plant and recognize more tooling revenues of new model meanwhile car manufacturing supply chain problems and a shortage of semiconductors situation in the middle of year has started to resolve in the last quarter of the year. The increase in total consolidated revenue was also from the revenue of Master Laundry Company Limited, a new subsidiary that invested in January 2022 in the portion of approximately 3.8% of total consolidate revenue. In terms of packaging sales in China, sales decreased by about 10% due to the COVID situation and the Chinese government's lockdown policy caused sales to halt.
2. The gross profit margin was 16.1%, decreased from the previous year at 18.6% due to the steadily rising price of plastic resin, which are the main raw material, following the rising trend of crude oil prices in the world market and the depreciated of Thai baht. However, the adjustment of the selling price according to the raw material price and the exchange rate cannot be done immediately, it will take a period according to the price adjustment conditions of each customer. The Company periodically considers the price of plastic resin both domestically and internationally to reduce the impact of raw material fluctuations. In addition, during the last quarter of the year, it was affected by higher labor costs and higher energy costs according to government announcements.



3. The consolidated net profit margin was at 2.5%, decreased from last year at 5.5% total net profit margin due to the decrease in the total gross profit margin compared to last year. In addition, there were periodic lockdowns in China resulting in losses from lower sales.

Sincerely yours

(Mrs. Prim Chaiyawat)

Company's Secretary