

27 February 2023

Subject: Management Discussion and Analysis Ending 31 December 2022

To: The Managing Director  
The Stock Exchange of Thailand

Unit: MB

Summary of operating results	Consolidated	
	2022	2021
Sales	9,061.66	9,334.73
Cost of Sales	8,380.13	8,165.19
Gross Margin	681.53	1,169.54
Gain (loss) on exchange rates	9.52	(202.32)
Loss on assets disposal	(0.51)	-
Other Incomes	70.33	109.73
Total Revenues	9,131.98	9,444.46
Selling and Administrative Expense	692.28	605.22
Finance Costs	85.90	78.95
Net Profit (loss)	23.72	417.46
Net Profit (loss) attributable to the parent company	29.61	428.62
Earnings (deficit) per share (Baht)	0.07	0.97

The company would like to explain the causes of changes as follows:

1. Sales revenues were decreased by 273.07 million baht or 2.93% from 9,334.73 million baht in 2021 to 9,061.66 million baht in 2022, Due to the sales volume decreased when compared to the last year. In addition, the one of BOPP production line was stopped since mid-August 2022 to be moved to a subsidiary company in Vietnam. As a result, production volumes and sales volumes were declined. In addition, the company has reduced exports to high-margin overseas customers to support domestic industries. Including, the fluctuation of exchange rates affects to the sales value decreased also. Anywise, the company expanded a production line to meet the needs of customers resulted to the company's sales began to increase during the past December.
2. Cost of sales to revenue ratio increased by 5.01% (from 87.47% in 2021 to 92.48% in 2022) due to the raw materials price increased both of domestically and internationally when compared to the previous year.

3. Other incomes were decreased by 39.40 million baht from 109.73 million baht in 2021 to 70.33 million baht in 2022, others income of the company consisting of revenue from the sale of film scrap and tax cards income.
4. A profit from foreign currency exchange of 9.52 million baht from last year had a loss of 202.32 million baht, mostly from fluctuation in the foreign exchange rate. Howsoever, to prevent future risks the company entered buying and selling forward exchange contracts to hedge against the fluctuation in the foreign.
5. Selling and administrative expenses increased by 87.06 million baht or 14.38% from 605.22 million baht in 2021 to 692.28 million baht in 2022, mainly from the sea freight costs for exporting goods that are increased when compared to the previous year.
6. Finance costs consisting of bank fees and interest expenses increased by 6.95 million baht from 78.95 million baht in 2021 to 85.90 million baht in 2022 since the company borrowed for investment to expand the production capacity by constructing a new factory building and investment in machinery to add a new production line in the recent year. Currently, the construction of the factory building, and machine installation has been partially completed. Anywise, the company had to repay loans and interest regularly.
7. The performance of the company was decreased by 393.74 million baht or 94.32% from a loss of 23.72 million baht in 2021 to a loss of 23.72 million baht in 2022 due to the reasons mentioned above.

Yours Sincerely,

(Mr. Kittiphat Suthisamphat)

Executive Vice President