

12 May 2023

The Director and Manager  
The Stock Exchange of Thailand  
93 Rachadapisek Road  
Dindaeng, Dindaeng, Bangkok

Dear Sir:-

Subject: Management's Discussion and Analysis of Financial Results for Q1'2023

The company would like to disclose the information concerning the operating result for the 1<sup>st</sup> quarter of 2023 compared to the same period of previous year. The details are as follows:-

## **1. The Business Operation**

### **1.1 Net Sales**

For Q1'2023, the company's net sales amounted to Baht 461.94 million, a decrease of Baht 130.97 million or 22.09% compared to Q1'2022. The decrease in sales resulted from both of sale volume and sales price. Sales volume decreased from domestic sale due to the decrease in demand of products and customers delaying their orders while selling price decreased due to the decrease of raw material price.

The proportion of sales: 86.88% came from domestic and 13.12% came from export.

### **1.2 Cost of sales**

In Q1'2023, cost of sales was Baht 477.98 million, a decrease of Baht 81.87 million or 14.62% compared to Q1'2022. This was because sale volume decreased and raw material prices were lower than the same period last year.

### **1.3 Other Income**

Other income was Baht 14.58 million in Q1'2023, an increase of Baht 5.44 million or 59.52% compared to Q1'2022. The reason was due to gain on fair value of derivative contract.

1.4 The operating expenses in Q1'2023 amounted of Baht 28.23 million, a decrease of Baht 0.69 million or 2.39% compared to Q1'2022, mainly due to the employee expenses decreased while freight charges increased from the rising of oil prices and reversal of allowance for decline in value and slow-moving inventories.

1.5 Financial costs in Q1'2023 amounted of Baht 2.46 million, a decrease of Baht 1.63 million or 39.85% due to short-term loans from financial institutions decreased.

## **2. The Financial Position**

### **2.1 Assets**

As at 31 March 2023, the total assets are worth Baht 1,969.89 million, representing a decrease of Baht 186.23 million or 8.64% from 31 December 2022. The main reason was inventories decreased of Baht 235.47 million from both quantity and price while trade receivables increased of Baht 62.42 million from sale that were not yet due for payment.

### **2.2 Liabilities**

Liabilities as at 31 March 2023, the total liabilities are Baht 507.96 million, a decrease of Baht 170.25 million baht or 25.10% from the previous year. The reason was due to repayment of trade payable and short-term loans from financial institution (Trust receipts) while provision for employee benefit decreased because of actuarial gain.

### **2.3 Debt to Equity Ratio**

As at 31 March 2023, the company's debt to equity ratio was 0.35 times down from the previous year 0.11 times due to repayment of trade payable and short-term loans from financial institution (Trust receipts).

Yours faithfully,

(Mr.Akamin Nganthavee)

Managing Director