



A.J. Plast Public Company Limited

95 Thakarm Rd., Samaedam, Bangkhuntien, Bangkok 10150 Thailand.
Tel. 415-0035, 415-6059 Fax : (662) 415-3795
Public Company Limited. Registration No. 375



15 May 2023

Subject: Management Discussion and Analysis for the Three- Months period Ended 31 March 2023

To: The Managing Director

The Stock Exchange of Thailand

Unit: MB

Summary of operating results	Consolidated	
	Q1_2023	Q1_2022
Sales	1,815.04	2,557.31
Cost of Sales	1,841.05	2,244.39
Gross Margin	(26.01)	312.92
Gain (loss) on exchange rates	9.43	14.43
Other Incomes	16.97	18.55
Total Revenues	1,832.00	2,580.06
Selling and Administrative Expenses	156.73	189.20
Finance Costs	41.41	16.86
Net Profit (loss)	(197.17)	139.87
Net Profit (loss) attributable to the parent company	(193.59)	142.72
Earnings (deficit) per share (Baht)	(0.44)	0.32

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

1. The Company has total revenues in the first quarter of 2023 of 1,815.04 million baht which was, upon comparison with that of the same period of the previous year, decreased by 742.27 million baht or 29.03%. Due to the sales volume decreased majorly following from the one of BOPP production line was stopped in the last year to be dismantled to a subsidiary company in Vietnam and the company has stopped the machine for maintenance on 2 BOPP production lines since the maintenance period was postponed from the last year-end plan. As a result, production volumes and sales volumes declined.
2. Cost of sales to revenue ratio increased by 13.67% (from 87.76% in 2022 to 101.43% in 2023) due to the raw materials price increasing both domestically and internationally when compared to the same period of previous year.
3. Other incomes decreased by 1.58 million baht from 18.55 million baht in Q1 2022 to 16.97 million baht in Q1 2023, others income of the company consisting of revenue from the sale of film scrap and tax cards income.



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4. Profits from foreign currency exchange decreased 5.00 million baht from 14.43 million baht in Q1 2022 to 9.43 million bahts in Q1 2023, mostly from fluctuation in the foreign exchange rate. However, to prevent future risks the company entered into buying and selling forward exchange contracts to hedge against the fluctuation in the foreign exchange rate.
5. Selling and administrative expenses decreased by 32.47 million baht or 17.16% from 189.20 million baht in Q1 2022 to 156.73 million baht in Q1 2023, mainly from the sea freight costs for exporting goods that are decreased when compared to the previous year.
6. Finance costs consisting of bank fees and interest expenses increased by 24.55 million baht from 16.86 million baht in 2022 to 41.41 million baht in 2023 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 decreased by 336.31 million baht or 235.64% from a loss of 142.72 million baht in Q1 2022 to a loss of 193.59 million baht in Q1 2023 due to the reasons mentioned above.



Yours Sincerely,

(Mr. Kittiphat Suthisamphat)

Executive Vice President