



May 9, 2023

Re : Management Discussion and Analysis Quarter 1 Ending 31 March 2023

To : Director and Manager of the Stock Exchange of Thailand

Revenue from Sale of Goods and Rendering of Services.

The company has revenue from sale of goods and rendering of services 658 million Baht (of which, 28 million Baht was compensation payment by a strategic partner in the agreement to renovate a building for the production of products to the partners), a decrease of 146 million Baht or 18% from previous year. This was due to an increase of 8 million Baht or 2% in Project Sale (despite the postponement of 58 million Baht worth projects being realized in the following quarter), and an increase of 26 million Baht or 17% in Wholesale/Retail Sales. However, Overseas Sale dropped by 180 million Baht or 72%. In this quarter, the revenue from sale of goods and rendering of services has recovered, as businesses have started to adapt and expand, despite the COVID-19 environment. However, the sales to the US market decreased by 193 million Baht due to strong competition and declining purchasing power resulting from economic and financial problems in the nation.

Profit for The Quarter

The company recorded a net loss of 1.6 million Baht compared to the net profit of 9.6 million Baht a year earlier, a decline of 11.2 million Baht, attributed to the following factors :

- Gross Profit and Other Income decreased by 13.2 million Baht or decreased by 6% due mainly to the decreased sales, despite the fact that the gross profit margins had improved from 24.6% in 2022 to 31.3% in 2023. This is due mainly to the lower margins of the products sold to the US market.
- Marketing and Administrative Expenses including Interest Expense decreased by 1.3 million Baht or decreased by 1%, this is mainly due to the absence of the 12.0 million Baht in transportation expenses that the company paid in advance and was reimbursed later last year, whereas the increased expenses are due primarily to annual salary adjustments, and the expenses that varied with the sale and operating performance, as well as a higher interest expense resulting from the increase in average interest rate from 2.93% in 2022 to 3.86% in 2023.
- Corporate Tax Credit increased by 0.7 million Baht.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Napaporn V.', with a stylized flourish at the end.

Mrs. Napaporn Vimananupong
Managing Director