

11 August 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 Q2'2023

The company would like to disclose the information concerning the operating result for the 2nd 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 Q2'2023, the company's net sales amounted to Baht 485.97 million, a decrease of Baht 125.87 million or 20.57% compared to Q2'2022. The decrease in sales resulted from both sales volume and sales price decreased. Sales volume decreased from domestic sale while selling price decreased due to the decrease of raw material price and price competition. The proportion of sales: 84.69% came from domestic and 15.31% came from export.

1.2 Cost of sales

In Q2'2023, cost of sales was Baht 481.07 million, a decrease of Baht 76.97 million or 13.79% compared to Q2'2022. 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 17.59 million in Q2'2023, an increase of Baht 8.27 million or 88.73% compared to Q2'2022. The reason was due to gain on foreign exchange and gain on fair value of derivative contract.

1.4 The operating expenses in Q2'2023 amounted of Baht 31.73 million, a decrease of Baht 4.10 million or 11.44% compared to Q2'2022, mainly due to the employee expenses decreased and reversal of allowance for decline in value and slow-moving inventories.

1.5 Financial costs in Q2'2023 amounted of Baht 1.93 million, a decrease of Baht 2.22 million or 53.49% due to short-term loans from financial institutions decreased.

2. The Financial Position

2.1 Assets

As at 30 June 2023, the total assets are worth Baht 1,943.45 million, representing a decrease of Baht 212.67 million or 9.86% from 31 December 2022. The main reason was inventories decreased from both quantity and price while trade receivables increased from sales that were not yet due for payment.

2.2 Liabilities

Liabilities as at 30 June 2023, the total liabilities are Baht 493.51 million, a decrease of Baht 184.70 million baht or 27.23% 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 30 June 2023, the company's debt to equity ratio was 0.34 down from the previous year due to the decrease of trade payable and short-term loans from financial institution (Trust receipts).

Yours faithfully,

(Mr.Akamin Nganthavee)

Managing Director