



Management Discuss and Analysis For the second quarter ended June 30 , 2023

Executive summary

The Company's revenue from sales and services in this quarter is 113.9 million Baht, increase of 9.9% compared to the previous quarter, caused by increasing orders from major customers and other customers, including orders from new customers that began to gradually receive.

New factory construction was completed and 2 new machines were already installed in there. One machine has started production and another is in the process of system testing. The relocation of some old machines to the new factory will start in the third quarter, which will result in the production capacity not yet significantly increase during the movement period.

New machines acquired according to the capacity expansion plan from the proceeds from the capital increase, totaling 6 machines at the end of the second quarter.

Performance Analysis

Operating results of the financial statement for 3 months ended June 30, 2023

Income Statement (Million Baht)	Q2/2023	Q1/2023	Q2/2022	Change (QoQ)		Change (YoY)	
				Million Baht	%	Million Baht	%
Revenue from sales and services	113.9	103.7	144.8	10.2	9.9	(30.9)	(21.3)
Gross Profit	35.5	30.0	51.2	5.4	18.1	(15.7)	(30.7)
Other income	6.7	5.6	5.1	1.1	19.3	1.6	31.0
Distribution costs	4.2	4.0	4.1	0.2	5.6	0.1	2.6
Administrative expenses	13.8	13.3	14.9	0.5	3.9	(1.1)	(7.2)
Finance costs	1.0	1.1	1.4	(0.1)	(8.1)	(0.4)	(26.9)
Profit before income tax	23.1	17.2	35.8	5.9	34.3	(12.7)	(35.5)
Tax expense	4.5	3.2	4.2	1.3	39.4	0.3	6.9
Net.Profit	18.6	14.0	31.5	4.6	33.1	(12.9)	(40.9)



Operating results of the financial statement for the Q2/2023 compared to Q1/2023 showed an increase in profit of 4.6 million Baht or increased by 33.1% mainly due to the following reasons.-

- Revenue from sales and services increased by 10.2 million Baht or increased by 9.9% due to an increase in orders from customers.
- Other income increases 1.1 million Baht or increase by 19.3% caused by profit from sale of assets increased by 2.7 million Baht, offset by gain on exchange rate decreased by 1.2 million Baht.

Operating results of the financial statement for Q2/2023 compared to the Q2/2022 showed a decrease in profit of 12.9 million Baht or decreased by 40.9%, mainly due to the following reasons.-

- Revenue from sales and services decreased by 30.9 million Baht or decreased by 21.3% due to a decrease in orders from major customers.
- Other income increased by 1.6 million Baht or increased by 31% from gains from sale of assets increased by 2.7 million Baht and interest income increased by 0.8 million Baht, deducted by a decrease in scrap sales revenue of 2.1 million Baht which decreased in accordance with a decrease in production volume.

Operating results of the financial statement for 6 months period ended June 30 , 2023

Income Statement (Million Baht)	6M/2023	6M/2022	Change (YoY)	
			Million Baht	%
Revenue from sales and services	217.6	290.1	(72.5)	(25.0)
Gross Profit	65.5	105.3	(39.8)	(37.8)
Other income	12.3	9.8	2.5	25.2
Distribution costs	8.2	8.1	0.1	1.1
Administrative expenses	27.2	27.8	(0.6)	(2.2)
Finance costs	2.1	2.7	(0.6)	(20.9)
Profit before income tax	40.2	76.3	(36.1)	(47.3)
Tax expense	7.7	12.1	(4.4)	(36.3)
Net Profit	32.5	64.2	(31.7)	(49.3)



Operating results of the financial statements for 6M/2023 ending June 30, 2023 compared to the same period of the previous year showed a decrease in profit of 31.7 million Baht or decreased by 49.3%, mainly due to the following reasons.-

- Revenue from sales of goods and services decreased by 72.5 million Baht or decreased by 25.0% due to the decrease in orders from major customers from the same period of the previous year.
- Other income increased by 2.5 million Baht or increased by 25.2% compared to the same period of the previous year, arising from gains from sale of assets increased by 2.7 million Baht, interest income increased 1.5 million Baht, gains from foreign exchange rate increased by 1.2 million Baht, deducted by the income from the sale of scrap materials from the production that decreased by 4.2 million Baht, which decreased according to the decrease of production volume.

Financial position

Total Financial Position (Million Baht)	30 June 2023	31 December 2022	Change	
			Million Baht	%
Current assets	333.3	506.1	(172.8)	(34.2)
Non-current assets	477.7	337.6	140.1	41.5
Total assets	811.0	843.7	(32.7)	(3.9)
Current liabilities	51.9	81.9	(30.0)	(36.7)
Non-current liabilities	112.9	123.3	(10.4)	(8.4)
Total Liabilities	164.8	205.1	(40.3)	(19.6)
Share capital	100.0	100.0	0.0	0.0
Premium on share capital	417.7	417.7	0.0	0.0
Retained earnings	128.4	120.9	7.5	6.2
Total shareholders' equity	646.1	638.6	7.5	1.2

Asset

As of June 30 2023, the company's total assets decreased 32.7 million Baht or decreased by 3.9% from the end of 2022 due to current assets decreased by 172.8 million Baht or decreased by 34.2% , less with non-current assets that increased by 140.1 million Baht or increased by 41.5%, mainly due to the following reasons.-



- Decrease in current assets from the sale of short-term investments of 162.6 million Baht to pay for the construction of new factory and purchase of machinery, and inventories decreased by 15.0 million Baht, mainly from a decrease in raw materials by 9.8 million Baht from the end of excessive storage measures due to the situation of paper shortage, which caused the selling price to rise significantly, returning to normal.
- Increase in non-current assets from buildings and equipment of 147.2 million Baht, most of them were construction of new factory buildings and machinery increased by 142 million Baht.

Liabilities

As of June 30, 2023, the company has a decrease in total liabilities 40.3 million Baht or decreased by 19.6% from the end of 2022. This was mainly due to a decrease in trade payables of 19.7 million Baht from the policy of accelerate payment of goods liabilities to receive a discount from the vendors, early repayment of loans from financial institutions of 6.6 million Baht for the purpose of managing excess liquidity for maximum benefit and repayment of lease liabilities in the amount of 9.7 million Baht.

Shareholders' Equity

As of June 30, 2023, the company's total shareholders' equity increased by 7.5 million Baht or increased by 1.2% from the end of 2022 due to a decrease in retained earnings of 25.0 million Baht from the dividend payment for the net profit of 2022 in May of 2023, less an increase in operating results 32.5 million Baht for the first 6 months period of 2023.



Significant financial ratios

Financial Ratios	30 June 2023	30 June 2022
Gross Profit Margin (%)	30.1	36.3
Net Profit Margin (%)	14.2	21.4
Earnings per share (THB) *	0.8	2.0
Return on Assets (%) **	9.4	17.7
Return on Equity (%) ***	12.4	27.5
Current ratio (Times)	6.4	5.2
Debt to Equity ratio (Times)	0.3	0.4
Book value per share (THB)	6.5	6.1

* Weighted average number of ordinary shares for year period of end of June 30, 2023 and Jun 30, 2022 are 100,000,000 shares and 58,741,918 shares respectively.

** Calculated by divide 1 year period backward net profit by average total asset.

*** Calculated by divide 1 year period backward net profit by average shareholders' equity.

Liquidity and Capital Resources

Statement of Cash Flows (Million Baht)	30 June 2023	30 June 2022	Change	
			Million Baht	%
Cash flows from Operating Activities				
Net cash provided by operating activities	39.0	37.3	1.7	4.5
Cash flows from Investing Activities				
Net cash provided by (used in) investing activities	9.9	(42.7)	52.6	(123.3)
Cash flows from Financing Activities				
Net cash used in financing activities	(43.5)	288.2	(331.7)	(115.1)
Net increase (decrease) in cash and cash equivalents	5.4	282.8	(277.4)	(98.1)
Cash and cash equivalents at beginning of the period	18.9	21.8	(2.9)	(13.3)
Cash and cash equivalents at end of the period	24.3	304.6	(280.3)	(92.0)



As of June 30, 2023, the company had net cash and cash equivalents of 24.3 million Baht, with net cash flows from operating activities of 39.0 million Baht, net cash flows used in investing activities of 9.9 million Baht (mainly from the sale of investment in debt securities 162.0 million Baht and cash received from sale of assets of 2.7 million Baht, deducted by the cost of construction of new factory and purchase of machinery of 156.4 million Baht) and net cash flow used in financing activities of 43.5 million Baht (mainly from repayment of loans from financial institutions 6.6 million Baht, repayment of lease liabilities in due periods 9.7 million Baht and dividends payment 25 million Baht).