

Overall Business Performance

For the first-half of the year 2023, the economic situation remains constrained due to the uncertain and vulnerable global economic conditions, which have recovered less favorably than anticipated due to external factors. However, domestic factors show signs of improvement, driven by the tourism industry's positive impact on the economy. Additionally, internal factors have started to rebound, particularly in the tourism sector, including the alleviation of issues related to chip shortages in the automotive and electronics industries, which have eased due to increased supply in the system.

The overall revenue for the second quarter amounted to 219.60 million Baht, a decrease from the previous year's 255.45 million Baht, representing a decline of 14.97 million Baht or 14%. This decline is primarily attributed to reduced orders for silicon packaging materials following the first quarter, resulting in a decrease in revenue for the consumer goods category. Additionally, there was a decline in revenue from the parent company compared to the previous year.

The cost of raw materials has started to show positive adjustments. The overall prices have begun to decrease due to lower energy and oil prices, although they still feel the impact of high energy costs. Additionally, the recent adjustment in labor costs has also contributed to this trend. Moreover, the proportion of products sold to customers has decreased, affecting the overall revenue.

The company has made additional repayments of approximately 160 million Baht on long-term debts to reduce the burden and interest rate risk, which has been gradually increasing due to the continuous impact of the Bank of Thailand's interest policy rate adjustments.

The company also places great importance on environmental preservation and energy conservation. They have implemented Solar cell panels to reduce electricity costs, which have been steadily increasing since the previous year. The progress of Solar rooftop installation is on track as planned and is expected to be completed during the third quarter of the year 2023.

As of June 30, 2023, the overall financial status of the company remains robust, both in terms of working capital and liquidity, which are at high levels. The company's total assets amount to 1,464.62 million Baht, while its total liabilities are 254.14 million Baht. Furthermore, the company continues to maintain a positive cash flow from operations. Additionally, its ability to payment debts remains at a high level.

Performance and Profitability

Revenue By Segments	6M2022		6M2023		Increase (Decrease)	% Increase (Decrease)
	Million Baht	%	Million Baht	%		
Sale Revenues						
Automotives	275.60	52.3%	293.72	61.8%	18.12	6.6%
Consumer products	187.74	35.6%	115.04	24.2%	(72.70)	(38.7%)
Medical devices	62.88	11.9%	65.65	13.8%	2.77	4.4%
Total	526.22	99.9%	474.41	99.8%	(51.81)	(9.8%)
Other income	0.73	0.1%	1.17	0.2%	0.44	60.3%
Total revenues	526.95	100.0%	475.58	100.0%	(51.37)	(9.7%)

Revenue from sales

For the first-half of the year 2023, total revenue from sales decreased by 51.81 million Baht, representing a decline of 9.8% compared to the same period of the previous year. The primary reason for this decline is attributed to a decrease in sales of consumer goods, which amounted to a reduction of 72.70 million Baht or 38.7% compared to the same period of the previous year. This reduction is mainly due to significant customers in the United States delaying orders for silicon packaging products due to distribution issues in various retail outlets, which have been persisting since the first quarter, resulting in an overall decline in consumer goods sales.

The automotive components segment saw an increase in sales by 18.12 million Baht, representing a growth of 6.6% compared to the same period of the previous year. This growth is attributed to new customers from the plastic factory expansion plan, which involves the production of car headlights and the introduction of new product lines to replace certain automotive components that were missing in the first quarter. As a result, the overall sales of automotive components for the first half of the year have shown growth compared to the previous year.

The medical equipment group experienced growth of 2.77 million Baht, representing a 4.4% increase, driven by expanding market opportunities resulting from the expansion of customer base in the United States. Additionally, the introduction of new products has led to an increase in orders for this segment.

Cost of sales and gross profit margin

Unit: Million Baht	6M2022	6M2023	Increase (Decrease)	% Increase (Decrease)
Cost of Sales	391.09	375.77	(15.32)	(3.9%)
Gross Profit	135.13	98.64	(36.49)	(27.0%)
Gross Profit Margin (%)	25.6%	20.7%	(4.9%)	

The initial profit for the 6M2023 amounts to 98.64 million Baht, a decrease of 36.49 million Baht compared to the previous year, representing a decline of 27.0%. The breakdown of the cost structure is as follows:

Cost of Sales	6M2022		6M2023		Increase (Decrease)	% to revenue Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Raw Material	229.09	43.5%	216.54	45.6%	(12.55)	2.1%
Labor Cost	75.71	14.4%	65.79	13.9%	(9.92)	(0.5%)
Depreciation and Amortization	41.90	8.0%	25.96	9.9%	(15.94)	1.9%
Other overhead cost	44.39	8.4%	46.64	9.8%	2.25	1.4%
Total cost of sales	391.09	74.3%	375.77	79.2%	(15.32)	4.9%

Raw materials : For the 6M2023, there was an increased proportion of revenue from the automotive products group, rising from 52.3% to 61.8%. The revenue from automotive products has a cost structure with higher raw material costs compared to other groups, and the revenue from parent company products has a lower proportion of raw material costs per revenue, leading to a decrease in their respective ratios. As a result, the ratio of raw material costs to sales has increased from the previous 43.5% to 45.6%, as shown in the table above.

Labor cost : For the 6M2023, labor costs decreased by 9.92 million Baht compared to the same period of the previous year, primarily due to a reduction in the number of employees impacted by the decline in orders for silicon packaging products. Labor costs account for 13.9% of the revenue, which decreased from 14.4% compared to the previous year, as the company exercised control over the number of employees, approved overtime payments, and optimized production planning and inventory management. Moreover, the company implemented automation systems to replace some employees, streamlining processes for maximum efficiency.

Depreciation and amortization : Due to the overall decline in revenue resulting from delayed orders for consumer products and increased depreciation and selling expenses compared to the previous year, caused by the introduction of new machinery to accommodate new customer orders, along with a decreased utilization rate of production capacity, the proportion of depreciation and selling expenses to revenue has increased.

Other overhead cost : The other production expenses increased by 2.25 million Baht, and their proportion to revenue increased by 1.4%. The main reason for this increase was the higher electricity costs due to the adjusted rate (Ft) electricity pricing, resulting in significantly higher electricity expenses, up to 40-50% more than usual, leading to the mentioned increase in other production expenses.

Revenue analysis, cost of goods sold, and gross profit margin for each product group can be shown as follows:

Automotives

Unit: Million Baht	6M2022	6M2023	Increase (Decrease)
Revenue from sales	275.60	293.72	(3.19)
Cost of sales	224.27	262.21	13.59
Gross profit	51.33	31.50	(16.78)
% Gross profit margin	18.6%	10.7%	(10.8%)

For the 6M2023, revenue from the automotive components group experienced a slight decrease due to a temporary shift of some orders to be produced at POLY, as previously mentioned. These particular products had relatively high profit margins, so the reduction in revenue impacted the initial profit margin significantly. Additionally, there was an impact from higher electricity costs, affecting the energy expenses.

Nevertheless, the company has gradually adjusted the selling prices of its products to mitigate the mentioned effects, starting from March to June. Furthermore, during the first quarter, several new product trials were conducted, and in the 2nd and 3rd quarters, several items are planned for mass production. This led to an increased use of raw materials to find the most efficient production methods, ensuring the best utilization of resources.

Consumer products

Unit: Million Baht	6M2022	6M2023	Increase (Decrease)
Revenue from sales	187.74	115.04	(13.10)
Cost of sales	141.92	88.46	(10.98)
Gross profit	45.82	26.58	(2.12)
% Gross profit margin	24.4%	23.1%	1.5%

As previously mentioned, the initial impact of delayed customer orders resulted in a decrease of 72.70 million Baht in revenue from the consumer products group. Consequently, the fixed depreciation costs directly affected the reduced initial profit margin as stated earlier.

Medical devices

Unit: Million Baht	6M2022	6M2023	Increase (Decrease)
Revenue from sales	62.88	65.65	0.34
Cost of sales	24.90	25.09	0.89
Gross profit	37.98	40.56	(0.56)
% Gross profit margin	60.4%	61.8%	(2.5%)

For the 6M2023, the medical equipment group maintained a high average initial profit margin of over 60%. The revenue from the medical equipment group received orders from similar customers as the previous year. The initial profit margin slightly increased as the situation of raw material costs began to decrease, and there was a higher utilization rate of production capacity.

Overall Expenses

Overall Expenses	6M2022		6M2023		Increase (Decrease)	% to revenue Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Selling Expense	5.88	1.1%	7.63	1.6%	1.75	0.5%
Administrative Expense	31.22	5.9%	34.41	7.3%	3.19	1.4%
(Reversal) Expected Credit Losses	-	-	0.02	0.0%	0.02	-
Other (Gain) losses	(6.11)	(1.2%)	1.51	0.3%	7.62	1.5%
Total Expenses	30.99	5.8%	43.57	9.2%	12.58	3.4%

For period 6M2023, the total expenses amounted to 43.57 million Baht. The main reasons were the increased sales and administrative expenses, and the decrease in other profits, resulting in other losses. This led to an overall increase of 12.58 million Baht in total expenses, as detailed below.

Selling Expenses

Selling Expenses	6M2022		6M2023		Increase (Decrease)	% to revenue Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Salary and Remuneration	4.05	0.8%	5.32	1.1%	1.27	0.3%
Marketing Expense	0.12	0.0%	0.24	0.1%	0.12	0.1%
Other Selling Expense	1.72	0.3%	2.06	0.4%	0.34	0.1%
Total Selling Expense	5.88	1.1%	7.63	1.6%	1.75	0.5%

For the period of 6M2023, the sales expenses amounted to 7.63 million Baht, which increased by 1.75 million Baht compared to the For period 6M2022. The main reasons for the increase were the rise in salaries and compensations, amounting to 0.70 million Baht, due to the increase in sales staff to replace those who resigned during the 1st and 2nd quarters of the year 2022. Additionally, other sales expenses increased by 0.34 million Baht, resulting from higher transportation costs and the provision of sample products to customers.

Administrative Expenses

Administrative Expenses	6M2022		6M2023		Increase (Decrease)	% to revenue Increase (Decrease)
	Million Baht	% to revenue	Million Baht	% to revenue		
Management and Employee Remuneration	14.79	2.8%	14.87	3.1%	0.08	0.3%
Consulting and Professional Fees	4.45	0.8%	3.30	0.7%	(1.15)	(0.1%)
Utilities and Maintenance	3.75	0.7%	2.71	0.6%	(1.04)	(0.1%)
Depreciation and Amortization	4.40	0.8%	4.55	1.0%	0.15	0.2%
Other Administrative Expenses	3.84	0.7%	8.97	1.9%	5.13	1.2%
Total Administrative Expenses	31.22	5.9%	34.41	7.3%	3.19	1.4%

For period 6M2023, the administrative expenses amounted to 34.41 million Baht, increasing by 3.19 million Baht compared to the previous quarter, or an increase of 1.4% relative to the revenue. The main reason for the increase was the rise in other management expenses, totaling 5.13 million Baht. This included fees for early loan repayments, amounting to around 4 million Baht, and travel and accommodation expenses for negotiations with suppliers, approximately 0.5 million Baht during the 1st and 2nd quarters.

Other gain/ loss

Other gains/losses consist of gains (losses) from unrealized exchange rates and gains (losses) from asset sales.

For period 6M2022, there were other gains of 6.11 million Baht, primarily from the sale of equipment to customers. However, For period 6M2023, there were no such special items. The other losses For period 6M2023 mainly stem from exchange rate differences and losses from the sale of non-operational assets.

Finance Costs

Finance Costs (Unit: Baht million)	6M2022	6M2023	Increase (Decrease)	% Increase (Decrease)
Loan Interest	9.03	4.24	(4.79)	(53.0%)
Hire Purchase Interest	2.37	2.50	0.13	5.5%
Total finance costs	11.39	6.74	(4.65)	(40.8%)

For period 6M2023, financial costs amounted to 6.74 million Baht, decreased from the previous year by 4.65 million Baht, or approximately 40.8%. The significant decrease was mainly due to the reduction in loan interest expenses. This was a result of debt repayments made after raising capital through the securities market since December 2022, as well as additional repayment of long-term loans amounting to approximately 160 million Baht in May 2023 to reduce interest burden and risks.

Net profit and net profit margin

Net profit and net profit margin	6M2022	6M2023	Increase (Decrease)	% Increase (Decrease)
Net profit	78.53	43.17	(35.36)	(45.0%)
Net profit margin (%)	14.9%	9.1%	(5.8%)	

For the period of 6M2023, net profit amounted to 43.17 million Baht, decreased from the previous year by 35.36 million Baht, or approximately 45%. The decrease was primarily due to the decline in order volume, as well as higher raw material and energy costs compared to the same period of the previous year. This resulted in a reduction in the initial profit margin due to higher fixed costs per unit. Additionally, the majority of the expenses were fixed costs, impacting both net profit and overall net profit margin to decrease.

Statement of Financial Position

Statement of Financial Position (Unit: Million Baht)	31 Dec 2022	30 Jun 2023	Increase (Decrease)	% Increase (Decrease)
Assets				
Current Assets	706.85	490.00	(216.85)	(30.7%)
Non-current Assets	986.01	974.62	(11.39)	(1.2%)
Total Assets	1,692.86	1,464.62	(228.24)	(13.5%)
Liability				
Current Liabilities	252.20	146.28	(105.92)	(42.0%)
Non-Current Liabilities	237.38	107.86	(129.52)	(54.6%)
Total Liabilities	489.58	254.14	(235.44)	(48.1%)
Equity				
Shares Capital	450.00	450.00	-	-
Retained Earnings	70.57	77.77	7.20	10.2%
Other components of equity	682.71	682.71	-	-
Total Equity	1,203.28	1,210.48	7.20	0.6%

* Financial Ratio for six months period ended 30 June 2023 calculated from 12 months of statement of comprehensive income and base on financial position as at 31 December 2022 and 30 June 2022

Assets

As of June 30, 2023, the company's total assets amounted to 1,464.62 million Baht, a decrease of 228.24 million Baht. This decline can be divided into a decrease in current assets by 216.85 million Baht and a decrease in non-current assets by 11.39 million Baht. The reduction in current assets was mainly due to a decrease in cash and cash equivalents of 138.94 million Baht, resulting from the repayment of long-term loans and a decrease in trade receivables of 63.90 million Baht, which corresponded to the decline in sales. The decrease in non-current assets was attributed to a decrease in the provision for machinery and depreciation expenses between periods.

Liabilities

As of June 30, 2023, the company's total liabilities amounted to 254.14 million Baht, a decrease of 235.44 million Baht, or approximately 48.1%. This decrease can be divided into a decrease in current liabilities by 105.92 million Baht and a decrease in non-current liabilities by 129.52 million Baht. The reduction in total liabilities was due to payments made during the period for the return of advances for the purchase of machinery and the repayment of long-term debts, totaling approximately 160 million Baht.

Equity

As of June 30, 2023, the company's total shareholders' equity amounted to 1,210.48 million Baht, an increase of 7.20 million Baht. This increase is mainly attributed to the growth of retained earnings from the net profit between the periods, after deducting dividend payments of approximately 36 million Baht.

Significant Financial Ratios

Financial Ratios	2022	6M2023	% Increase (Decrease)
Current ratio (times)	2.8	3.3	0.5
Gross profit margin	24.9	20.8	(4.1)
Net profit margin	14.9	9.1	(5.8)
Return on Equity	18.1	15.8	(2.3)
Return on Asset	11.4	9.3	(2.1)
Debt to Equity (time)	0.4	0.2	(0.2)
Interest-Bearing Debt to EBITDA Ratio (time)	1.0	0.4	(0.6)

Current ratio (times)

As of the end of 6M2023, the liquidity ratio decreased by 0.5 times when compared to 2022. This decrease was primarily due to the reduction in borrowed funds resulting from repayment made during the period to lower liabilities and interest rate risks. As of the end of the reporting period, the company still had cash and cash equivalents amounting to 271 million Baht.

Net profit margin

For the 6M2023 period, the net profit margin decreased from 14.9% to 9.1%. The primary reason for this decline was the reduction in the initial profit margin, as mentioned earlier. Additionally, the company incurred expenses related to the payment of long-term debts, resulting in recording fees for debt management.

Return on Equity

The return on equity decreased from the previous year to 15.8%, representing a decline of 2.3%. This decrease was due to the reduction in net profit for the 6M2023 period.

Return on Asset

The return on assets decreased from the previous year to 9.3%, representing a decline of 2.1%. This decrease was due to the reduction in net profit during the 6M2023 period, along with an increase in assets resulting from investments made to expand production capacity. The sales from these assets are expected to gradually increase in the year 2023.

Debt to Equity ratio

The debt-to-equity ratio decreased by 0.2 times from December, primarily due to the repayment of long-term loans amounting to approximately 160 million baht made during the current period. This repayment led to the reduction in the mentioned debt-to-equity ratio.

IBD/EBITDA

The IBD/EBITDA ratio decreased from 1.0 times to 0.4 times due to the reduction in short-term loan debts resulting from the repayment of loans during the same period.