



Management Discuss and Analysis For the third quarter ended September 30 , 2023

Executive summary

The company's revenue from sales and services in this quarter is 136.9 million Baht, increase of 20.2% compared to the previous quarter, caused by increasing orders in the main product line from major customers , including orders from new customers. The operating result's trend is recover more clearly. The gross profit ratio and net profit ratio showed better result in every quarter from the first quarter of the year.

Three new machines and four old machines have been installed and run in the new factory. But the relocation of the old machinery has not yet been completed. It is expected to be completed in the first quarter of next year.

New machines acquired according to the capacity expansion plan from the proceeds from the capital increase are totaling 7 machines at the end of the third quarter.

Performance Analysis

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

Income Statement (Million Baht)	Q3/2023	Q2/2023	Q3/2022	Change (QoQ)		Change (YoY)	
				Million Baht	%	Million Baht	%
Revenue from sales and services	136.9	113.9	148.0	23.0	20.2	(11.1)	(7.5)
Gross Profit	46.2	35.5	51.9	10.7	30.3	(5.7)	(10.9)
Other income	3.7	6.7	5.6	(3.0)	(44.6)	(1.9)	(33.8)
Distribution costs	5.0	4.2	4.1	0.8	18.9	0.9	21.8
Administrative expenses	15.0	13.8	15.4	1.2	8.7	(0.4)	(2.6)
Finance costs	1.0	1.0	1.2	0.0	0.0	(0.2)	(16.7)
Profit before income tax	29.0	23.1	36.8	5.9	25.4	(7.8)	(21.3)
Tax expense	5.6	4.5	7.1	1.1	23.7	(1.5)	(21.6)
Net.Profit	23.4	18.6	29.7	4.8	25.8	(6.3)	(21.2)



Operating results of the financial statement for the Q3/2023 compared to Q2/2023 showed an increase in profit of 4.8 million Baht or increased by 25.8.% mainly due to the following reasons.-

- Revenue from sales and services increased by 23.0 million Baht or increased by 20.2% due to an increase in orders from customers.
- Other income decreased by 3.0 million Baht or decreased by 44.6% mostly due to no profit from the sale of assets in this quarter, while a profit from the sale of assets were recognized by 2.7 million baht in the previous quarter.
- Administrative expenses increased by 1.2 million Baht or increased by 8.7% mainly caused by the relocation cost of old machinery from old factory to new one by 1.8 million baht.

Operating results of the financial statement for Q3/2023 compared to the Q3/2022 showed a decrease in profit of 6.3 million Baht or decreased by 21.2%, mainly due to the following reasons.-

- Revenue from sales and services decreased by 11.1 million Baht or decreased by 7.5% due to a decrease in orders from major customers.
- Other income decreased by 1.9 million Baht or decreased by 33.8% from a decrease in scrap sales revenue of 2.0 million Baht which decreased in accordance with a decrease in production volume.



Operating results of the financial statement for 9 months period ended September 30 , 2023

Income Statement (Million Baht)	9M/2023	9M/2022	Change (YoY)	
			Million Baht	%
Revenue from sales and services	354.5	438.1	(83.6)	(19.1)
Gross Profit	111.7	157.3	(45.6)	(29.0)
Other income	16.0	15.4	0.6	3.7
Distribution costs	13.2	12.3	0.9	7.2
Administrative expenses	42.2	43.2	(1.0)	(2.3)
Finance costs	3.1	4.0	(0.9)	(21.6)
Profit before income tax	69.2	113.2	(44.0)	(38.9)
Tax expense	13.3	19.2	(5.9)	(30.8)
Net Profit	55.9	94.0	(38.1)	(40.5)

Operating results of the financial statements for 9M/2023 ending September 30, 2023 compared to the same period of the previous year showed a decrease in profit of 38.1 million Baht or decreased by 40.5%, mainly due to the following reasons.-

- Revenue from sales of goods and services decreased by 83.6 million Baht or decreased by 19.1% due to the decrease in orders from major customers from the same period of the previous year.
- Other income increased by 0.6 million Baht or increased by 3.7%, arising from gains from sale of assets increased by 2.7 million Baht, interest income increased 1.7 million Baht, gains from foreign exchange rate increased by 1.2 million Baht, deducted from the income from the sale of scrap materials from the production that decreased by 6.2 million Baht, which decreased according to the decrease of production volume.
- Administrative expenses decreased by 1.0 million Baht or decreased by 2.3% mostly caused by decreased of loss from asset disposal by 1.9 million Baht and IPO-related public relations expenses by 1.5 million Baht, deducted from increased expenses of relocation old machinery from the old factory to the new factory by 1.8 million Baht.



Financial position

Total Financial Position (Million Baht)	30 September 2023	31 December 2022	Change	
			Million Baht	%
Current assets	357.9	506.1	(148.2)	(29.3)
Non-current assets	475.2	337.6	137.6	40.8
Total assets	833.1	843.7	(10.6)	(1.3)
Current liabilities	60.1	81.9	(21.8)	(26.6)
Non-current liabilities	113.5	123.3	(9.8)	(7.9)
Total Liabilities	173.6	205.1	(31.5)	(15.4)
Share capital	100.0	100.0	0.0	0.0
Premium on share capital	417.7	417.7	0.0	0.0
Retained earnings	141.8	120.9	20.9	17.3
Total shareholders' equity	659.5	638.6	20.9	3.3

Asset

As of September 30, 2023, the company's total assets decreased 10.6 million Baht or decreased by 1.3% from the end of 2022 due to current assets decreased by 148.2 million Baht or decreased by 29.3% , less with non-current assets that increased by 137.6 million Baht or increased by 40.8%, mainly due to the following reasons.-

- Decrease in current assets from the sale of short-term investments of 150.5 million Baht to pay for the construction cost of new factory and new machinery and Inventories decreased by 13.2 million Baht, mainly from a decrease in raw materials by 11.2 million Baht from the end of extra storage measures due to the situation of paper shortage, which caused the selling price to rise significantly, returning to normal.
- Non-current assets increased by 137.6 million Baht, mostly are acquisition of new factory buildings and machinery 165.0 million Baht.

**Liabilities**

As of September 30, 2023, the company has a decrease in total liabilities 31.5 million Baht or decreased by 15.4% from the end of 2022. This was mainly due to a decrease in trade payables of 12.1 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 due period of 12.4 million Baht.

Shareholders' Equity

As of September 30, 2023, the company's total shareholders' equity increased by 20.9 million Baht or increased by 3.3% from the end of 2022 from the operating results for the first 9 months of 2023 amounting to 55.9 million Baht, deducted by dividend payments in May and August, amounting to 25.0 million Baht and 10.0 million Baht respectively.

Significant financial ratios

Financial Ratios	30 September 2023	30 September 2022
Gross Profit Margin (%)	31.5	35.9
Net Profit Margin (%)	14.9	20.7
Earnings per share (THB) *	0.6	1.1
Return on Assets (%) **	8.5	18.5
Return on Equity (%) ***	11.2	31.4
Current ratio (Times)	6.0	5.1
Debt to Equity ratio (Times)	0.3	0.4
Book value per share (THB)	6.6	6.2

* Weighted average number of ordinary shares for year period of end of September 30, 2023 and September 30, 2022 are 100,000,000 shares and 85,299,634 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 September 2023	30 September 2022	Change	
			Million Baht	%
Cash flows from Operating Activities				
Net cash provided by operating activities	65.5	116.8	(51.3)	(43.9)
Cash flows from Investing Activities				
Net cash provided by (used in) investing activities	(9.3)	(320.4)	311.1	(97.1)
Cash flows from Financing Activities				
Net cash used in financing activities	(57.4)	263.0	(320.4)	(121.8)
Net increase (decrease) in cash and cash equivalents	(1.3)	59.4	(60.6)	(102.1)
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	17.6	81.2	(63.5)	(78.3)

As of September 30, 2023, the company had net cash and cash equivalents of 17.6 million Baht, with net cash flows from operating activities of 65.5 million Baht, net cash flows used in investing activities of 9.3 million Baht (mainly from the sale of investment in debt securities 150.0 million Baht and cash received from sale of assets of 2.7 million Baht, deducted by the construction cost of new factory, purchase of machinery of 144.7 million Baht and construction cost of employee dormitory of 7.8 million Baht) and net cash flow used in financing activities of 57.4 million Baht (mainly from repayment of loans from financial institutions 6.8 million Baht, repayment of lease liabilities in due periods 12.4 million Baht and dividends payment 35 million Baht).