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บริษัท ยูเนียนไฟโอเนียร์ จำกัด (มหาชน) สำนักงานใหญ่
UNION PIONEER PUBLIC COMPANY LIMITED. Head Office

กลุ่มสายเคเบิล

เลขที่ 1 ซอยเสรีไทย 62 แขวงมีนบุรี เขตมีนบุรี กรุงเทพมหานคร 10510 โทร 0-2517-0105-8, 0-2517-9052-6 โทรสาร 0-2517-0345
No.1 Soi Serithai 62, Khwaeng Minburi, Khet Minburi, Bangkok, 10510 Tel : (662)517-0105-8, (662)517-9052-6 Fax (662)517-0345

Taxpayer ID. No. 0107537001013

27th February 2024

Subject: Management Discussion and Analysis (MD&A) for the year ends on 31st

December 2023

To: Managing Director of the Stock Exchange of Thailand

Business Overview

In 2023, the economic situation in Thailand and the world continues to remain sluggish, even though the crisis caused by the COVID-19 pandemic has passed. The world faced the enduring impacts of geopolitical issues in various countries without clear resolutions, such as the Russia-Ukraine conflict, Israel-Hamas tensions, and the situation in the Korean Peninsula. Thai businesses found themselves facing intensified competition, particularly from Chinese products that maintained a competitive edge in production costs. Additionally, the high energy prices during the first half of the year added to the economic difficulties. This resulted in a stabilization of domestic consumption, as Thai citizens exercised caution in their spending habits, prioritizing essential items in their daily lives. Consequently, the textile and garment industries, both domestically and internationally, had been impacted by the sluggish economic conditions.

Business Operating Results and Profitability

Transaction	For the Year ended 31 st December (Unit: Million Baht)			
	Year		Increase (Decrease)	
	2023	2022	Amount	%
Total Revenues	558.71	660.08	(101.37)	(15.36)
Costs and Expenses	550.59	632.42	(81.83)	(12.94)
Profit -Net	6.52	21.58	(15.06)	(69.79)



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In 2023, the Company had revenue from sales at 546.85 million baht decreasing from the year 2022 by 99.15 million baht or 15.35%. It was divided to export sale decreasing from the previous year by 78.41 million baht or 19.92 % due to customers delaying orders as the global economic situation, domestic sale decreased by 20.74 million baht or 8.22 % due to the sluggish economic conditions and reduced consumer spending, other income decreasing from the year 2022 by 2.21 million baht or 15.71% due to the reduced sale of waste products from increased production efficiency, and cost of sales decreased by 82.19 million baht or 13.00% due to the decrease in the price of synthetic rubber, a key raw material in the production process.

According the Company's financial statements, the net profit was 6.52 million baht or 1.17% of total revenue when comparing with the year 2022 which was net profit of 21.58 million baht or 3.27% of total revenues. The profit was decreased by 15.06 million baht with the earning per share of 0.87 baht, mainly due to the reduced sales volume and higher energy costs in the first half of the year compared to the previous year.

Key Financial Ratios

Debt to equity ratio

In 2023, the Company had a debt to equity ratio of 0.36 times, higher than in 2022 at 0.35 times, indicating that the debt ratio is still low when comparing with the equity.

Return on Equity (ROE)

According to the Company's financial statements, the net profit was 6.52 million baht, representing a return on equity of 1.83%, lower than that of 2022 with the return on equity ratio of 5.87%.

Liquidity Ratio was 6.79 times, decreasing from 2022 which was 7.40 times due to a decrease in current assets from the decrease in remaining inventory.



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Inventory turnover was 3.66 times, increasing from 2022, which was 3.42 times due to a decrease in the quantity of remaining inventory due to a reduction in the stock of raw materials compared to the previous year.

Asset Management

As of 31st December 2023, the Company's financial position was analyzed from changes in the assets, liabilities and shareholders' equity as follows;

Transaction	For the Year ended 31 st December (Unit: Million Baht)			
	Year		Increase (Decrease)	
	2023	2022	Amount	%
Total Assets	476.39	490.29	(13.90)	(2.84)
Total Liabilities	126.01	127.22	(1.21)	(0.95)
Total Shareholders' Equity	350.38	363.07	(12.69)	(3.50)

Assets

The Company's total assets at year ended 2023 was 476.39 million baht, with the proportion of the asset consisting of current assets at 76.08%, property, plant and equipment at 15.29% and other assets at 8.63% when compared to the year 2022 which was decreased by 13.90 million baht or 2.84%. The main changing transaction was from a decrease in the quantity of remaining inventory which amounted to 106.82 million baht as of the year ended 2023, declined from 2022 at 30.41% due to a decrease in raw material stockpiling for production purposes.

Trade and Other Receivable

As of 31st December 2023, trade accounts receivable and other receivables shown the value as the net realized gain amounting to 119.88 million baht, increased by 2.56 million baht or 2.18% from the year 2022. The majority of the Company's debtors had no collection issues. However, the Company set the net unrealized values at 0.89 million baht, in accordance with financial reporting standard No. 9.



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Liabilities

The Company's total liabilities were 126.01 million baht, decreased by 1.21 million baht or 0.95%, from last year, mainly due to a decrease in trade payables and other payables from debt repayment during the period.

Shareholders' Equity

The Company had shareholders' equity of 350.38 million baht, decreased by 12.69 million baht or 3.50% due to a decrease in net profit from the Company's operations compared to the previous year.

Liquidity and Capital Sufficiency

Analysis of Changes in Capital.

As of 31st December 2023, Cash and cash equivalents amounted to 131.28 million baht increased by 42.94 million baht for the year 2022, which the details of the acquisition and uses of cash in the year 2023 as follow;

Transaction	For the Year ended 31 st December (Unit: Million Baht)	
	2023	2022
Cash Flow from (used in) operating activities	79.79	88.16
Cash Flow from (used in) investing activities	(11.23)	(14.00)
Cash Flow from (used in) financing activities	(25.63)	(39.58)
Cash and cash equivalents at the beginning of year	88.34	53.76
Cash and cash equivalents at the end of year	131.27	88.34

- Net cash from operating activities decreased due to a reduction in the Company's operating performance compared to the previous year.
- Net cash used in investing activities decreased due to the maturity of government bonds.



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- Net cash used in financing activities decreased due to a lower annual dividend payment compared to the previous year.

Liability and Off-Balance-Sheet Management

The Company disclosed in Note 24 of the financial statements and the consolidated financial report as of 31st December 2023 was summarized below.

- Last year there were no any special transactions or transactions came from the abnormal operations.
- There was no significant change after the date specified in the latest financial statement that may affect the financial status and operating results of the Company.
- There was no effect from the shareholding restructure of group companies to the operating results of the Company.
- The Company had no guarantee for outsiders or any obligation in project investment or other similar obligations that may affect to its operation.

Factors Impacting Future Business Operations

The economic outlook for Thailand and the world in 2024 remains uncertain, with ongoing changes and geopolitical conflicts posing significant risks. If this situation persists and escalates, it could have impacts on the global economy in term of production, trade, investment, and finance. For example, rising trade costs may impact supply chains and confidence in decision-making for business operations and investments. Nevertheless, the Company has prepared to adapt by considering risk management strategies to adjust its business operations in response to changing circumstances. The Company aims to develop products and enhance service quality, ensuring timely delivery of goods to meet customer needs. The Company plans to diversify its supplier and buyer sources, expand distribution channels, and improve production efficiency while managing costs effectively to enhance competitiveness.



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In addition, the Company affirms to conduct business with corporate governance, code of conduct, transparency and responsibilities to society and environment for sustainability to the organization and all stakeholders against all forms of corruption. For risk management, the Risk Management Committee is composed of the executives and the team workers who are responsible in each division, considered in specifying the frameworks, policies and reviewing the methods of the Company's risk management to cover and comply with the economic condition, society and environment, by having meeting and tracking the risk management results, to find out that they are controlled and managed in the acceptable levels.

Yours faithfully,

(Mr. Nattapon Yangyuen)

Managing director