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August 12, 2022

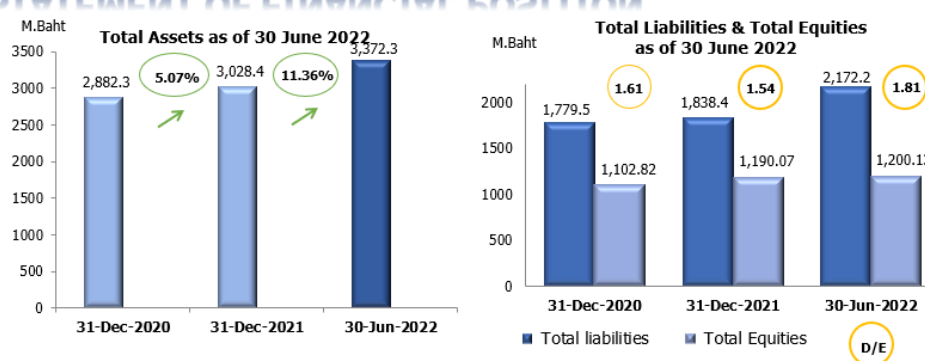
Subject: Management Discussion and Analysis for the 6-month period ended 30 June 2022

To: The President of the Stock Exchange of Thailand

Panjawattana Plastic Public Company Limited and its subsidiaries ("the Company") would like to clarify herewith the financial position and operating result for the 6-month period ended 30 June 2022 as follows: -

### Financial Position

## STATEMENT OF FINANCIAL POSITION



As of June 30, 2022, the consolidated financial statements of the Company and its subsidiaries had total assets increased by 343.89 million baht or 11.36 percent compared to the previous year. As for current assets, an increase of 209.46 million baht was mainly due to an increase of 208.88 million baht in trade and other receivables due to higher sales compared to the end of last year and from the consolidation of trade accounts receivable of Master Laundry Company Limited, a new subsidiary that invested in January 2022 in the amount of 24.19 million baht. As for non-current assets, an increase of 134.43 million baht, mainly from the consolidation of non-current assets of the new subsidiary amounted to 65.97 million baht such as machinery and equipment including the right to use land and buildings and the recording of goodwill valued at 40.3 million baht. In addition, the company recognized account receivables under long-term contracts increased by 23.72 million baht.

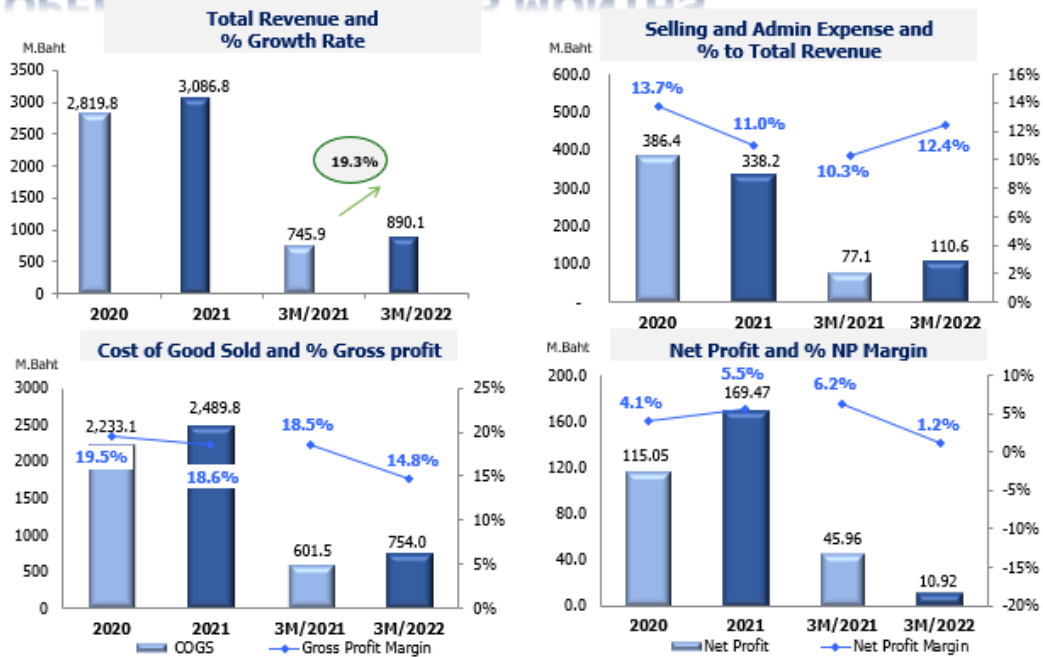
As of June 30, 2022, the consolidated financial statements of the Company and its subsidiaries had total liabilities increased by Baht 333.83 million or 18.16% compared to the previous year. This was an increase from current liabilities of 358.39 million baht, mainly from trade payables, other payables and short-term borrowings that increased to support higher sales. Including the purchase value that increases according to the price of raw materials. As for long-term borrowings and lease liabilities, there was a decrease of 24.56 million baht.

The Company's debt to equity ratio as at 30 June 2022 is 1.81 times. (as at 31 December 2021 is 1.54 times).



**Operating result**

**OPERATING RESULT: 3 MONTHS**

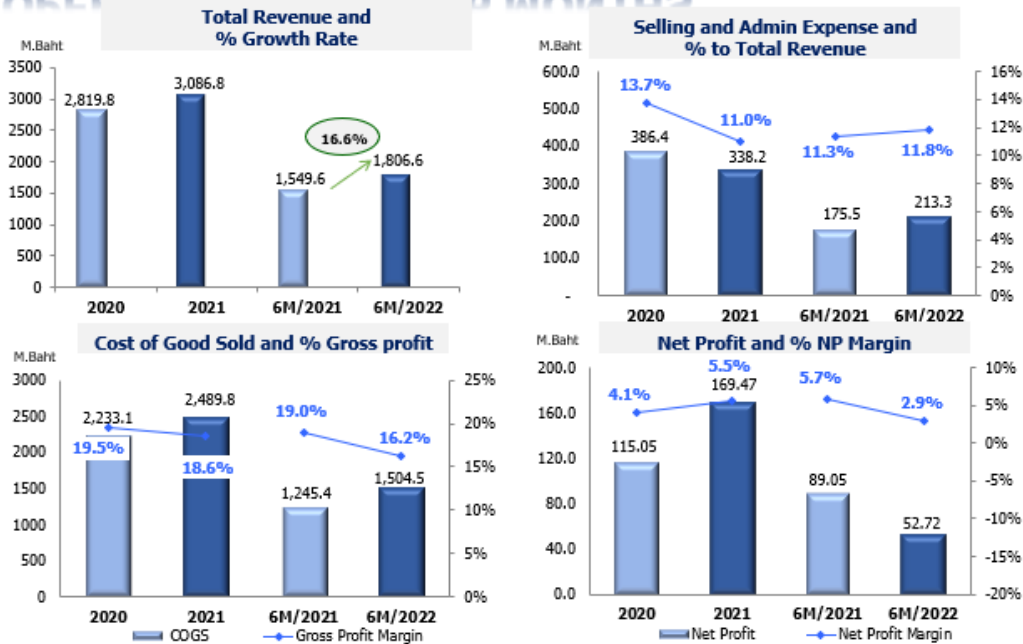


The consolidated net profit of the Company and its subsidiary for the period 3-month ended 30 June 2022 was Baht 10.92 million, decreased by Baht 35.03 million or by 76.2% compare with same quarter of last year. The main reasons were as follows: -

1. Total revenue increased by 144.13 million baht, or 19.32%, due to the overall sales of the packaging industry that grew from the recovery of domestic consumption compared to the second quarter of the previous year that was caused by the new wave of Covid-19 situation caused the economy to slow down. In addition, the selling price gradually increased in accordance with the price of plastic resin. But the decline in sales of the automotive sector was caused by the impact of the Russia-Ukrain war on the automobile production chain and the shortage of semiconductors as well as inflationary pressures affect the trend of rising interest rates, causing a limited recovery in consumer purchasing power. The increase in sales was also from the consolidation of the revenue of Master Laundry Company Limited, a new subsidiary that invested in January 2022, amounting to 32.58 million baht.
2. The gross profit margin was 14.8 percent, decreased from the previous year at 18.5 percent due to the steadily rising price of plastic resin, which are the main raw material, following the rising trend of crude oil prices in the world market and the depreciated of Thai baht. However, the adjustment of the selling price according to the raw material price and the exchange rate cannot be done immediately, it will take a period of time according to the price adjustment conditions of each customer. The Company periodically considers the price of plastic resin both domestically and internationally to reduce the impact of raw material fluctuations.
3. Total net profit margin was 1.2%, decreased from the same quarter of last year 6.2% total net profit margin due to the increase in administrative expenses to sales ratio from the same quarter last year. In 2022, there was a lockdown in Jiangsu, resulting in factory shutdown losses in administrative expenses.



## OPERATING RESULT: 6 MONTHS



The consolidated net profit of the Company and its subsidiary for the period 6-month ended 30 June 2022 was Baht 52.72 million, decreased by Baht 36.33 million or by 40.8% compare with same quarter of last year. The main reasons were as follows: -

1. Total revenue increased by 257.01 million baht or 16.59% due to overall sales of the packaging industry that grew from the recovery of domestic consumption compared to the second quarter of the previous year that was caused by the Covid-19 situation. 19 The new wave caused the economy to slow down. In addition, the selling price gradually increased in accordance with the price of plastic resin. In terms of overall sales of the automotive industry in 6 months, the growth was higher due to the increase in sales of new models in the first quarter. But in the second quarter, sales declined due to car manufacturing supply chain problems and a shortage of semiconductors. In addition, inflationary pressures affect the trend of rising interest rates, causing a limited recovery in consumer purchasing power. The increase in sales was also from the consolidation of the revenue of Master Laundry Company Limited, a new subsidiary that invested in January 2022, amounting to 56.78 million baht.
2. The gross profit margin was 16.2 percent, decreased from the previous year at 19.0 percent due to the steadily rising price of plastic resin, which are the main raw material, following the rising trend of crude oil prices in the world market and the depreciated of Thai baht. However, the adjustment of the selling price according to the raw material price and the exchange rate cannot be done immediately, it will take a period of time according to the price adjustment conditions of each customer. The Company periodically considers the price of plastic resin both domestically and internationally to reduce the impact of raw material fluctuations.
3. Total net profit margin was 2.9%, decreased from the same quarter of last year 5.7% total net profit margin due to the increase in administrative expenses to sales ratio from the same quarter last year. In 2022, there was a lockdown in Jiangsu, resulting in factory shutdown losses in administrative expenses.



Panjawattana Plastic PCL.

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Sincerely yours

(Mrs. Prim Chaiyawat)

Company's Secretary