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## Explanation and Analysis of Performance and Financial Standing

### Description and Analysis of Performance and Financial Standing

The Thai economy in 2023 was expanded by the tourism sector and domestic demand, especially private consumption which was a key driving factor. However, we have to monitor various risk factors, both internal and external that may affect the Thai economy, it needed to be closely monitored and the global economy may still face many challenges.

Regarding stability within the country, rate of inflation is expected to be at 1.5 percent because pressure of prices of the energy category has become better accordingly. In addition, the government's relief measures help to reduce the burden of living expenses of people, it causes inflation get better that it is in the target range. Regarding stability outside the country, the service balance is likely to return to surplus as a result of increasing in the number of foreign tourists. as a result, the current account balance in 2023 is likely to return to surplus.

(Reference: - website of Thai Government, <https://www.thaigov.go.th/news>)

### Synopsis of Performance

In 2023, the company had income from product sales of 703.52 million baht, an increase of 2.38 percent, net profits amounted 25.99 million-baht, total assets of 1,713.80 million baht, an increase of 2.54 percent, total liabilities of 219.05 million baht, an increase of 4.29 percent. Total shareholders' equity amounted to 1,494.75 million baht, an increase of 2.54 percent, which summarizes the reasons for the change and analysis of important information.

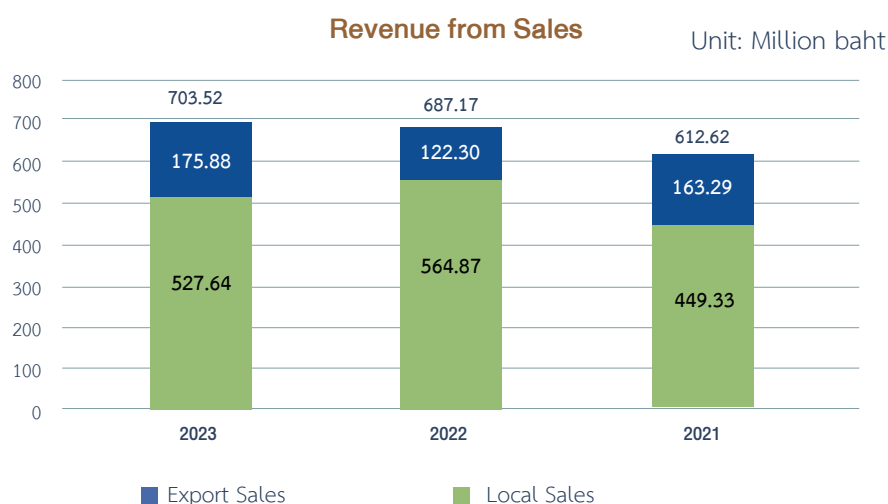
#### 1. Analysis of Performances

Income from sales In 2023, the company had sales income of 703.52 million baht, in 2022 the amount was 687.17 million baht, an increase of 16.35 million baht, representing 2.38 percent.

Revenue from domestic sales decreased from the previous year by 37.23million baht, accounting for 6.59 percent due to the purchasing policy of main customers. As a result, sales of main customers decreased by 24.13 percent. However, the company tried to seek out new customers, which has resulted in an increase in sales of 36.54 percent, but it is still not enough amount if comparing to the decreasing sales of main customers.

Revenue from Export sales increased 53.58 million baht from the previous year, or 43.81 percent, from the presentation of new products to customers, which the original is shorts but the company additionally presented trousers to customer resulting in sales are increased.

However, customers are confident in its potential and product quality even though, the company still has few customers, but the company can produce quality products and deliver in time to meet customer needs to make confident to customers.



### Other Revenues

In 2023, The Company had other revenues of 64.64 million baht and 59.72 million baht in the 2022, which increased by 4.92 million baht or 8.25 percent, the increasing of Dividend income by 13.06 million baht, and the profit from the sale of investments measured at fair value through the income statement, increased by 0.75 million baht, decreased interest income by 1.71 million baht, and other income decreased by 0.43 million baht.

Unit : Thousand Baht

Other revenues	2023	2022	%Increased (Decreased)
Received Dividend	32,818	25,687	27.76
Received Interest	4,562	4,842	(5.78)
Profit from sale of investment measured at fair value through the income statement	3,766	10,256	(32.04)
Others	24,495	18,932	29.38
<b>Total of Other Revenues</b>	<b>64,641</b>	<b>59,717</b>	<b>8.25</b>

### Cost of Sales

In 2023The Company's cost of sales amounted 78.43 percent of sales revenue, if compare to the year 2022 which was 79.63 million Baht, it decreased by 1.20 percent compared to the previous year as a result of the preparation of raw materials, employee skill development in order to increase production efficiency.

### Sale Expenses

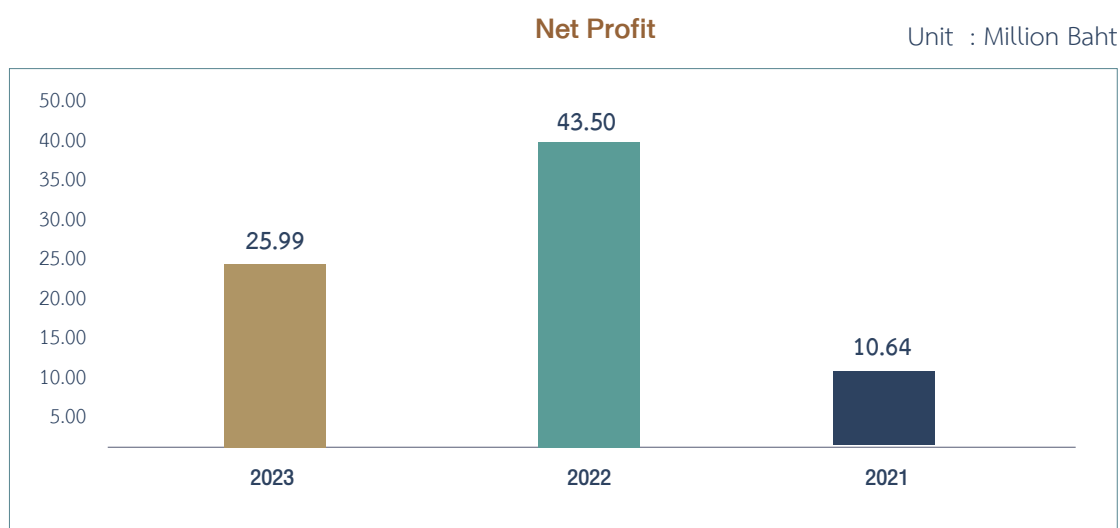
In 2023, the Company had sale expenses amounted 13.36 million baht, in the year 2022, the sale expenses amounted 11.28 million baht, it increased by 2.08 million baht or equivalent to 18.45 percent, it was due to commission from sales of foreign products which the sales increased from the previous year and increased sales of products to be sold outside the area.

### Administrative Expenses

In 2023, the Company had administrative expenses amounted 166.35 million baht, in the year 2022, the administrative expenses amounted 149.29 million baht, it increased 17.07 million baht or equivalent to 11.43 percent as a result of increasing of sales so the company has more expenses in terms of employee. However, the company also places importance on the development of its personnel to have knowledge and multi skills to develop the work including saving other expenses.

## Net profit

In 2023, the Company had net profit amounted 25.99 million baht, whereas in 2022 had net profit amounted 43.50 million baht, so the total profit increased from previous year by 17.51 million baht. Net profit per share amounted 0.27 baht.



## Shareholder Returns

Rate of Shareholder Returns of the company in the year 2023 as 1.76 percent, which 2022 was 3.03 percent, the Net profit decreased and Shareholders' equity increased due to measuring the fair value of investments ; however, the company had loss on sale of investment to measure fair value through other comprehensive income and dividend payment.

According to the Company's dividend payment policy, the dividend will be paid at the rate of not more than 50 percent of net profits which is mainly subject to the Company's performances and economic circumstances. In 2023, the company had net profit amounted 25.99 million baht, profit per share amounted 0.27 baht. On February 23, 2024, the Board of Directors' meeting No. 1/2024 then had the resolution to propose to the annual general meeting of shareholders on dividend payment at the rate of 0.20 baht per share totaling 19.20 million baht , which will be paid on May 21, 2024.

## 2. Financial Standing

As of 31 December 2023, the Company's total assets were 1,713.80 million baht, increased by 42.52 million baht or 2.54 percent compared with the total balance in the previous year. The Company's current assets decreased amounted 16.50 million baht and non-current assets increased 59.02 million baht. Total assets of the Company comprised of cash and cash equivalents equaled to 0.56 percent; trade debtors and others debtors 7.33 percent; inventories amounted 19.80 percent; Other Non-current assets due within 1 year equivalent to 0.98 percent; Other Current assets equivalent to 18.19 percent; Other Non-current-assets equivalent to 43.08 percent; land, property and equipment amounted 8.93 Right-of-use asset equivalent to 0.57 percent; and others equivalent to 0.56 percent.

### Current Assets

As of 31 December 2023, current assets of the Company amounted 807.35 million baht, decreased from the previous year by 16.50 million baht due to decreasing of inventory because sales volume increased from last year. There was a decrease in cash and cash equivalent in order to be sufficient for current expenses in the business operation, but the Company had other non-current financial assets due within one year increased, which is bonds due in 2024 and there were more trade receivables from sales at the end of the year which increased from the previous year.

**Cash and Cash Equivalents** The amount of 9.51 million baht, the previous year amounted to 26.45 million baht, decreased by 16.74 million baht, gaining from business operating activities of 22.00 million baht, but it was used on investment activities of 11.90 million baht and on financing activities of 26.84 million baht.

**Trade account receivables and other receivables** As of the current amount of 125.64 million baht, previous year was 120.14 million baht, increased 5.49 million baht, consisting of trade accounts receivable of 123.32 million baht, other receivables of 2.31 million baht, total trade accounts receivable which were not yet due for payment of 110.91 million baht or equivalent to 88.26 percent. Receivables that are overdue for less than 3 months, amounting to 11.71 million baht or 9.32 percent and overdue not more than 6 months in the amount of 0.03 million baht or 0.03%. In addition, overdue payment for more than 6 months, amounted 0.69 million baht, equivalent to 0.55 percent, caused by the customer's payment policy not matching the payment cycle, and other debtors, amounted 2.31 million baht or equivalent to 1.84 percent. The company has set up bad debt allowance amount 0.02 million baht

**Inventory of the Company** amounted 339.34 million baht, previous year was 365.70 million baht, decreased by 26.38 million baht due to management of finished-goods for selling to customer in time.

Inventories of the Company amounted 339.34 million baht comprises of Raw material amounted 86.54 million baht, Work- in process product amounted 27.54 million baht, finished products amounted 241.85 million baht, and supplies amounted 3.10 million baht. Moreover, the company also expresses inventories in financial statement with a lower cost or market price. However, if there is a product that is deteriorated or outdated, the company has considered reducing the value of the product according to the accounting standard. The company has set aside for obsolete products in the amount of 19.69 million baht.

**Other non-current financial assets which mature within 1 year:** The amount of 16.76 million baht is debt securities which matures in one year.

**Other current financial assets:** The amount is 311.68 million baht, consisting of Investments measured at fair value through the income statement in the amount of 200.70 million baht, private funds amounted 7.64 million baht and, open-end funds and fixed deposits of 103.34 million baht.

### **Non-current Assets**

As of 31 December 2023, non-current assets of the Company were 906.46 million baht, increased from the previous year by 59.02 million baht due to other non-current financial assets.

**Other non-current financial assets** As of December 31, 2023, Non-current financial assets amounted 738.35 million baht, consisting of investments in the stock exchange amounted 213.82 million baht, unrealized gains from fair value appraisal of 306.29 million baht, Investments outside the stock exchange amounted 71.06 million baht. There was an unrealized gain from revaluation of 45.18 million baht and debt instruments of 102 million baht.

**Land, Property and Equipment** As of 31 December 2023, the Company had land, property and equipment valued 153.07 million baht, the previous year amounted 145.08 million baht, increased by 7.99 million baht, as a result of the debit of depreciation amounted 10.70 million baht and buying more machinery, equipment and others, which increased 18.69 million baht.

**The Rights-of-use assets** As of December 31, 2023, in the amount of Baht 9.83 million baht, IFRS 16 stipulates that leases are required to recognize assets and liabilities for leases agreement with a lease term is more than 12 months. The company has leasehold rights amounted 34.43 million baht, increased in the year by 4.50 million baht. The remaining value at the beginning of the year amounted to 12.03 million baht, and amortized during the year 6.70 million baht.

### **Total Liabilities**

As of 31 December 2023, the Company had total liabilities amounted 219.05 million baht, it increased 9.02 million baht if compared to the previous year, or equivalent to 4.29 percent, due to the trade account payable.

## Shareholders' Equity

As of 31 December 2023, shareholders' equity of the Company amounted 1,494.75 million baht the previous year amounted 1,461.25 millionth , it increased by 33.50 million baht or 2.29 percent as the company had net profit in the year 2023 amounted 25.99 million baht, and pay dividend from retained earnings amounted 19.20 million baht. There was loss from sale of investment to be measured at fair value through other comprehensive income of 8.74 million baht, and other factors of the shareholders' equity increasing amounted 41.19 million baht. Adjust expense of the previous year in the calculation of employee benefits, there was a loss of 5.74 million baht. The company has a book value per share at the end of 2023 equal to 15.57 baht, last year equal to 15.22 baht, an increase of 0.35 baht per share.

## 3. Asset Quality

### Other current financial assets

The Company has investments in other current financial assets of 311.68 million baht, comprising investing in investments fund in the stock market that measure fair value through income statement of 198.50 million baht, unrealized profits of 2.20 million baht, private funds of 9.75 million baht. There was unrealized loss of 2.11 million baht, and invest in open-end funds of 103.34 million baht.

Unrealized gains from fair value measurement are expressed in the Company's income statement. However, the investment that the company invested was very good asset quality; moreover, it also yields in the form of dividends at a satisfactory rate and higher than bank deposit rates.

### Other non-current financial assets

The Company had investments in other non-current financial assets totaling 738.35 million baht, consisting of investments in the stock market that measure fair value through other comprehensive income of 213.82 million baht, unrealized gains from fair value valuation of 306.29 million baht, investment outside the stock market of 71.06 million baht, generating unrealized gain from fair valuation amounted to 45.18 million baht and debt instruments amounted to 102 million baht.

Unrealized gain on net fair value appraisal from income tax, which is presented in other components of shareholder's equity. This is caused by changes in securities prices that fluctuate according to operating results and economic conditions. This is an investment with a very good quality of assets. Moreover, it also offers a favorable dividend yield and higher than the bank deposit rate.

## Land, Property and Equipment

At present, property, plant and equipment had values in market price more than values shown in the financial statement. The number was shown in the form of the cost deducted by accumulated depreciation. The Company had managed the assets and caused revenues in some part of properties and factories through rental. For machineries, most of them were modern and had efficiency for production because the Company had always bought new machineries to replace the old machines and always kept good maintenance. In 2023, the company invested in solar cells phase No.2 at Lamphun branch.

## 4. Liquidity

### Cash Flow

In 2023, the Company had cash and cash equivalents of 9.51 million baht, the previous year was 26.25 million baht, decreasing of 16.74 million baht.

The company had net cash used from operating activities of 22.00 million baht, from operating profit amounted 3.14 Million baht, Inventory amounted 35.54 million baht, trade creditors amounted 21.19 million baht; however,

they are used for other current liabilities of 18.58 million baht, Trade accounts receivable of 5.42 million baht, Other current asset amounted 3.30 million baht, employee benefits were paid 10.03 million baht and payment of tax payables of 0.54 million baht.

There was a cash flow from investing activities of 11.90 million baht, it derived from investment in other current financial assets amounted 10.86 million baht, non-current financial assets amounted 56.97 million baht, investing in machinery and equipment for use in operations in the amount of 18.69 million baht. Moreover, it is received cash from debt instruments and fixed deposits held until maturity of 1.74 million baht, received dividends of 32.83 million baht, interest receivable of 4.51 million baht, selling equipment of 4.75 million baht, and received cash from investments in other non-current financial assets amounted 30.79 million baht.

Cash flow used in financing activities amounted to 26.84 million baht, paid lease liabilities in the amount of 6.88 million baht, paid interest on lease liabilities in the amount of 0.76 million baht. The company paid dividends at the rate of 0.20 baht per share, amounting to 19.20 million baht.

### Adequacy of Liquidity

The Company had proper liquidity in 2023 ratio was 8.26 times and was 8.75 times in 2022. Quick liquidity ratio of 2023 equivalents to 4.79 times and was 4.87 times in 2022. Cash and cash equivalent were adequate for dividend payment and future investment. Furthermore, the Company had very low debt to equity ratio. As ended of 2023, it was 0.15 times and 0.14 times in 2022, resulting to the Company's wealth and adequacy of liquidity.

Financial Ratio		2023	2022	2021
Liquidity Ratio	Time	8.26	8.75	7.94
Quick Liquidity Ratio	Time	4.79	4.87	4.90
Debt to Equity ratio	Time	0.15	0.14	0.16

### Sources of Capital

The Company's capital spending for operation and investment was from gain on operation and investment, including investment in bonds/debentures and bank deposit were considered as gain on interest receivable and dividend. The Company had no interest-bearing liabilities, most of the Company's liabilities shown in the financial statement were trade creditors, other creditors, deferred income tax liabilities and provision for employee benefits and liabilities under lease agreements.

### Commitments

The details are provided in the Notes to the Financial Statements clause 28, Commitments and Contingent Liabilities.

Financial		2023	2022	2021
Liquidity Ratios				
Current Ratio	Times	8.26	8.75	7.94
Quick Ratio	Times	4.79	4.87	4.90
Activity Ratios				
Account Receivable Turnover	Times	5.72	5.33	4.69
Average Collection Period	Days	63.76	68.48	77.86
Inventory Turnover	Times	2.32	2.49	2.72
Average Sale (Inventory) Period	Days	157.26	146.40	134.24
Account Payable Turnover	Times	7.86	6.93	6.26
Average Payment Period	Days	46.44	52.64	58.27
Cash Cycle	Days	174.58	162.25	153.83
Total Asset Turnover	Times	0.45	0.46	0.42
Fixed Asset Turnover	Times	5.15	4.90	4.06
Leverage Ratios				
D/E Ratio	Times	0.15	0.14	0.16
Modified Interest Coverage Ratio	Times	(0.05)	(0.04)	(0.03)
Dividend Payout Ratio	%	73.89	44.14	90.21
Dividend Yield Ratio	%	2.22	2.61	1.50
Profitability Ratios				
Gross Profit Margin	%	21.57	20.37	17.08
Net Profit Margin	%	3.69	6.33	1.74
Return on Asset	%	1.54	2.64	0.77
Return on Equity	%	1.76	3.03	0.76