

Ref: PCL 2021/018

November 13, 2021

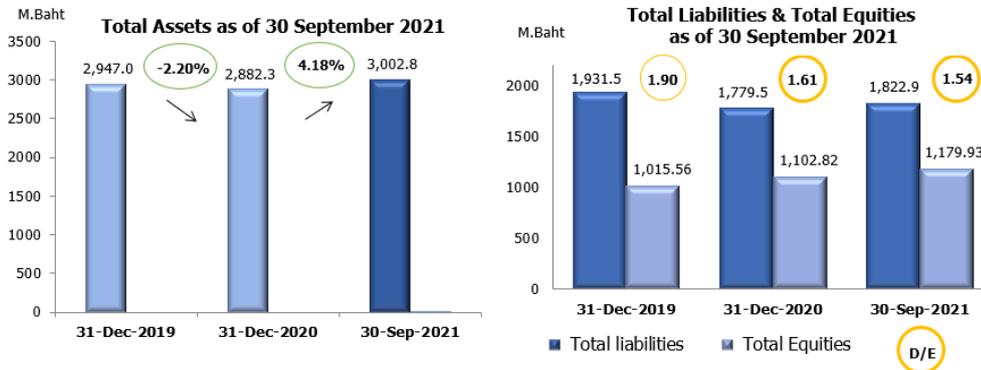
Subject: Management Discussion and Analysis for the 9-month period ended 30 September 2021

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 9-month period ended 30 September 2021 as follows: -

Financial Position

STATEMENT OF FINANCIAL POSITION



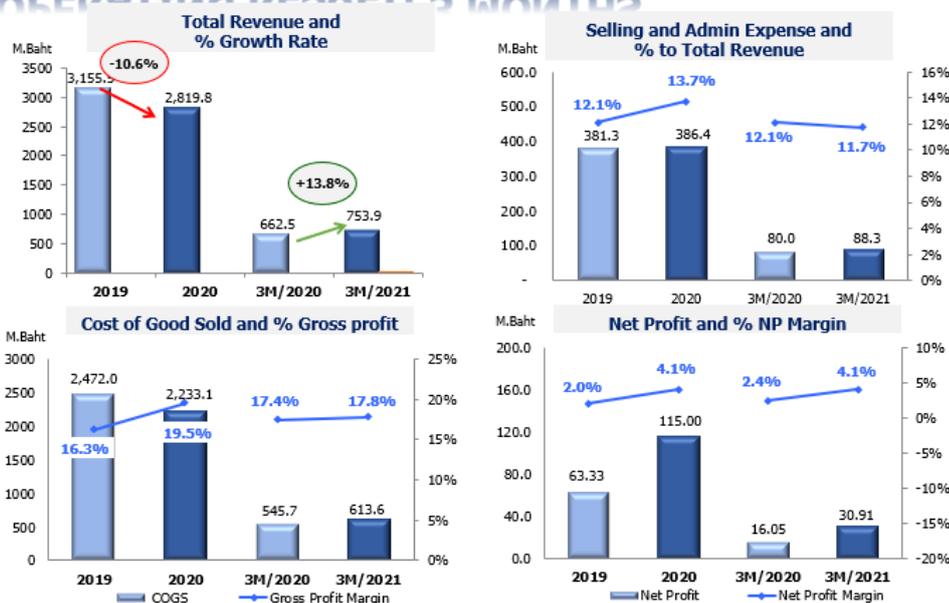
As at 30 September 2021, total consolidated assets of the Company and its subsidiary increased by Baht 120.54 million or 4.18% compared with last year. Total current assets increase Baht 101.85 million mainly caused by trade and other receivable Baht 57.74 million due to sales increased compare with quarter 4 of year 2020. Inventory increased by 55.93 million to support the growth in sales orders. For overall non-current assets decreased by Baht 18.68 million mainly due to increase in mold to be amortized of automotive part new model.

As at 30 September 2021, the consolidated liabilities of the Company and its subsidiary increased by Baht 43.43 million or 2.44% compare with last year. This amount was an increase in current liabilities (excluded current portion of long-term loan) Baht 114.61 million mainly from trade and other payable and short-term loan to support increased in operating assets. For long-term loan and finance lease liabilities (included current portion of long-term loan) decreased by Baht 71.17 million from received loan and repayment.

The Company's debt to equity ratio as at 30 September 2021 is 1.54 times. (as at 31 December 2020 is 1.61 times).

Operating result

OPERATING RESULT: 3 MONTHS

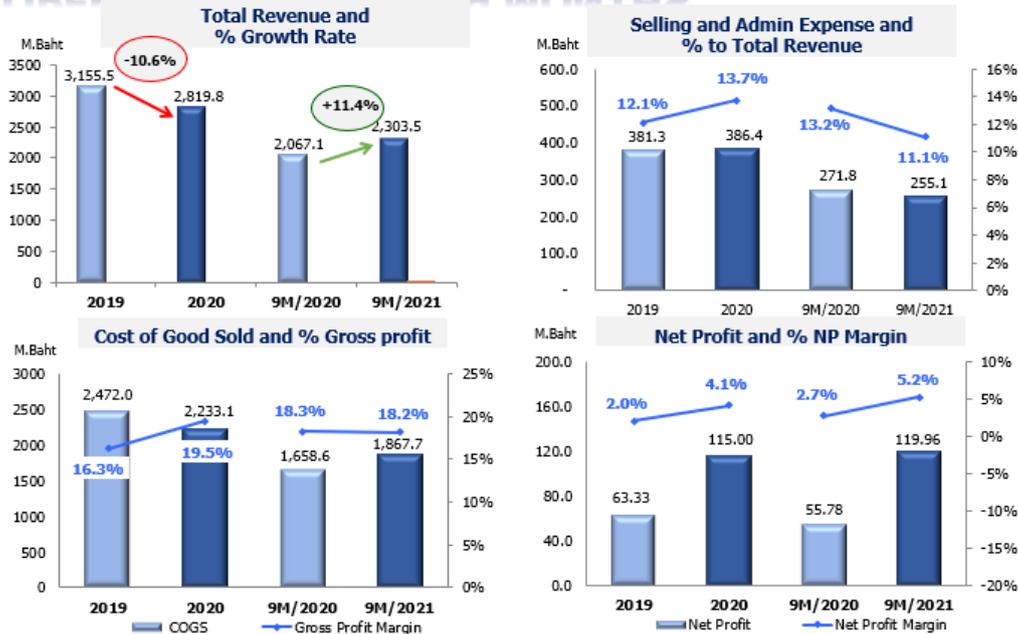


The consolidated net profit of the Company and its subsidiary for the period 3-month ended 30 September 2021 was Baht 30.91 million, increased by Baht 14.85 million compare with same quarter of last year. The main reasons were as follows: -

1. The consolidated sales increased by Baht 91.42 million or 13.80% because in the 2nd- 3rd quarter of the previous year, the situation of COVID-19 and the government's epidemic control measures have a huge impact on the automotive and lubricant packaging industry. In the beginning of 2021, sales have recovered to almost normal levels. However, the new wave of the epidemic in 2021 led to a slowdown in sales of the automotive parts and lubricant packaging segment in this quarter. For sales of packaging for milk and milk yogurt increased due to sales of new products. For business in China, sales grew for more than 20%.
2. The consolidated gross profit margin was 17.8%, increased from last year at 17.4% due to price of plastic resins, the main raw material, had continued to rise since the beginning of 2021. In addition, the company has additional costs to deal with the new Covid-19 situation, including costs related to making bubbles and seals, expenses related to the company's field hospitals, COVID test kits and vaccinations, etc. However, the company has managed to control production costs more efficiently and could reduce process loss to maintain a gross margin level.
3. The consolidated net profit was 4.1%, increased from same quarter of last year at net profit 2.4% due to administrative cost and financial costs decreased from same quarter of last year which is due to an increase in revenue and efficiency in expense control.



OPERATING RESULT: 9 MONTHS



The consolidated net profit of the Company and its subsidiary for the period 9-month ended 30 September 2021 was Baht 119.96 million, increased by Baht 64.17 million compare with same quarter of last year. The main reasons were as follows: -

1. The consolidated sales increased by Baht 236.43 million or 11.44% because in the 2nd- 3rd quarter of the previous year, the situation of COVID-19 and the government's epidemic control measures have a huge impact on the automotive and lubricant packaging industry. In the beginning of 2021, sales have recovered to almost normal levels and have sales of new model. For business in China, sales grew for more than 16%.
2. The consolidated gross profit margin was 18.2%, slightly decreased from last year at 18.3% due to price of plastic resins, the main raw material, had continued to rise since the beginning of 2021. In addition, the company has additional costs to deal with the new Covid-19 situation, including costs related to making bubbles and seals, expenses related to the company's field hospitals, COVID test kits and vaccinations, etc. However, the company has managed to control production costs more efficiently and could reduce process loss to maintain a gross margin level.
3. The consolidated net profit was 5.2%, increased from same quarter of last year at net profit 2.7% due to administrative cost and financial costs decreased from same quarter of last year which is due to an increase in revenue and efficiency in expense control.

Sincerely yours

(Mrs. Prim Chaiyawat)

Company's Secretary