

Management Discussion and Analysis

Analysis of Financial Position and Operating Results

Overview of Business Operation

In 2024, regions around the world continue to encounter various economic and political challenges, contributing to the global economy's slowdown due to various factors such as trade and political policies, tariff measures, and inflation in various countries. This included ongoing geopolitical conflicts and fluctuations in foreign exchange rates, which have resulted in bearing high-cost burdens in various aspects, and in turn affect the purchasing power of consumers both domestically and internationally. However, the company and its subsidiaries have adapted to quick respond to produce products with truly understand and meet consumer demands by offering high-quality products at reasonable prices. This includes introducing various innovations to satisfy consumers as well as managing and controlling their cost of production appropriately to increase competitiveness and drive the company toward even greater sustainable growth.

Financial performance and Financial position

Revenue from Sales



(Unit : Million Baht)

Consolidated	2024	2023	2022	Increase (Decrease)			
				2024/2023		2023/2022	
				Amount	%	Amount	%
Domestic sales	4,282	4,450	3,283	(168)	(3.8)	1,167	35.5
Export sales	1,900	2,380	2,677	(480)	(20.2)	(297)	(11.1)
Total	6,182	6,830	5,960	(648)	(9.5)	870	14.2

In 2024, the company and its subsidiaries had revenue from sales of 6,182 Million Baht, decreased from prior year of 648 million baht or 9.5% by mainly decrease in cosmetic and packaging of local sales of 168 Million Baht or 3.8% and decreasing in export sales of 480 Million Baht or 20.2 from previous year due to economic recession in Europe.

Gross profit

(Unit : Million Baht)

Consolidated	2024		2023		2022		% Increase (Decrease)			
							2024/2023		2023/2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Revenue from Sales	6,182	100.0	6,830	100.0	5,960	100.0	(648)	(9.5)	870	14.6
Cost of goods sold	4,297	69.5	4,802	70.3	4,204	70.3	(505)	(10.5)	598	14.2
Gross profit	1,885	30.5	2,028	29.7	1,756	29.5	(143)	(7.1)	272	15.5

In 2024, the company and its subsidiaries had gross profit of 30.5% of revenue from sales which was closed to prior year due to appropriate controlling their cost and expenses for continuing in their profitability whereas cost of raw material was higher than prior year.

Other income (included Dividend Income, Exchange Gains and Gain from fair value measurement on derivatives)

(Unit : Million Baht)

Consolidated	2024	2023	2022	Increase (Decrease)			
				2024/2023		2023/2022	
				Amount	%	Amount	%
Dividened income	21	20	19	1	5.0	1	5.2
Exchange Gains	0.9	23	6	(22)	(95.7)	17	283.3
Other income	146	92	98	54	58.7	(6)	(6.1)
Total	168	135	123	33	24.4	12	9.8

In 2024, the company and its subsidiaries had other income of 168 Million Baht increased from prior year of 33 Million Baht due to gain from sales of company's property.

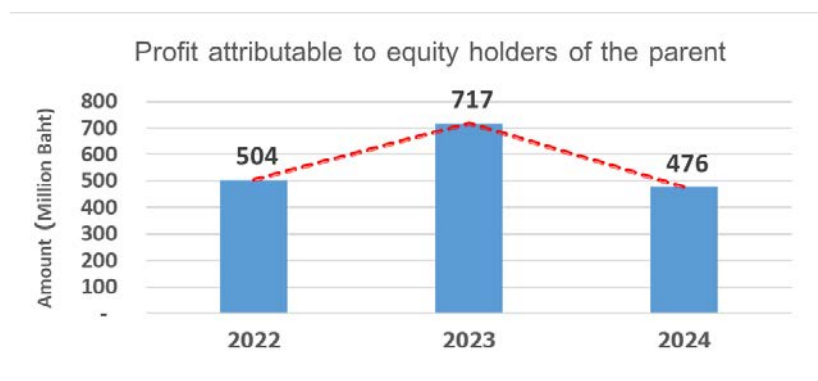
Selling and distribution expenses

(Unit : Million Baht)

Consolidated	2024		2023		2022		% Increase (Decrease)			
							2024/2023		2023/2022	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Selling expenses	172	2.8	164	2.4	241	4.0	8	4.9	(77)	(32.0)
Administrative expenses	1,186	19.2	1,191	17.4	1,056	17.7	(5)	(0.4)	131	12.4
Expected credit losses (reversal)	120	1.9	(4)	(0.1)	-	-	124	3,100	(4)	(100.0)
Total	1,478	23.9	1,351	19.9	1,297	21.8	127	9.4	54	4.2

In 2024, the company and its subsidiaries had selling and administrative expenses of 1.478 Million Baht, increased from prior year 127 Million Baht or 9.4% mainly due to expected credit losses from allowance for doubtful accounts.

Profit attributable to equity holders of the parent



(Unit : Million Baht)

Consolidated	2024	2023	2022	Increase (Decrease)			
				2024/2023		2023/2022	
				Amount	%	Amount	%
Profit attributable to equity holders of the parent	476	717	504	(241)	(33.6)	213	42.3

In the consolidated financial statements of year 2024, the company and its subsidiaries had net profit attributable to equity holders of the parent company of 476 Million Baht, decreased from prior year of 241 million baht or 33.6% due to decrease in sales both local and overseas together with expected credit losses.

Return on Equity



In the consolidated financial statements of year 2024, the company and its subsidiaries had return on equity of 9.7%, decreased from prior year 5.5% due to decrease in profit for the year. The company has a policy to pay dividend to shareholders at 20-80 percent of profit for the year of the company's separate financial statement (under the cost method). However, this rate principally depends on economic conditions and operational results of the company.

In 2024, the company had profit for the year of 416 Million Baht. The company had the resolution of the Board of Directors' Meeting No. 1/2025 held on February 27, 2025 which shall be proposed to the shareholders' ordinary meeting for their approval on April 28, 2025 to pay dividend at the rate of 1.50 Baht per share, totally 224.9 Million Baht. The proposed dividend payment is equal to 54.1% of profit for the year of the separate financial statement and shall be paid on May 27, 2025.

Financial position

(Unit : Million Baht)

Consolidated	2024	2023	2022	Increase (Decrease)			
				2024/2023		2023/2022	
				Amount	%	Amount	%
Current assets	3,251	3,257	2,939	(6)	(0.2)	318	10.8
Non current assets	3,705	3,563	3,438	142	4.0	125	3.6
Total Assets	6,956	6,820	6,377	136	2.0	443	6.9

Total Assets : In 2024, the company and its subsidiaries had total assets amounting to 6,956 Million Baht, increased from prior year of 136 Million Baht or 2% due to material changes as follows:

1. Decrease in Cash and cash equivalents of 24.4 Million Baht.
2. Increase in Trade and other receivables of 160 Million Baht due to incurred receivables from sales of last quarter.
3. Increase in Short-term loan to related party of 95.1 Million Baht mainly due to Top Trend Manufacturing Co., Ltd. has made a loan to Worldclass Rent A Car Co.,Ltd.
4. Increase in Long-term loan to related party of 70 Million Baht due to the company has made a loan to Issara United Co., Ltd.
5. Decrease in Other non-current financial assets of 41.5 Million Baht due to redeem maturing Government bonds.
6. Increase in property, plant and equipment of 171 Million Baht due to office building under construction.

(Unit : Million Baht)

Consolidated	2024	2023	2022	Increase (Decrease)			
				2024/2023		2023/2022	
				Amount	%	Amount	%
Current liabilities	990	1,000	1,073	(10)	(1)	(73)	(6.8)
Non current liabilities	573	531	364	42	7.9	167	45.9
Total Liabilities	1,563	1,531	1,437	32	2.1	94	6.5
Shareholders' Equity	5,393	5,289	4,940	104	2.0	349	7.1

Total Liabilities : In 2024, the company and its subsidiaries had total liabilities amounting to 1,563 Million Baht, increased from prior year of 32 Million Baht or 2.1% due to material changes as follows:

1. Decrease in short-term borrowing from financial institutions of 24.5 Million Baht due to a subsidiary has repayment for borrowing from financial institution.
2. Increase in Provision for long-term employee benefits of 52.5 Million Baht from revised calculation by Actuary.

Shareholders' Equity : In 2024, the company and its subsidiaries had shareholders' equity amounting to 5,393 Million Baht, increased from prior year of 104 Million Baht or 2% due to material changes as follows:

1. Total Comprehensive income for the year of 453 Million Baht.
2. Dividend payment of 337 Million Baht.

Liquidity

1. Cash flows in 2024, the company and its subsidiaries had net increase in cash and cash equivalent of 24 Million Baht or 3.4% by separated activities as follows:

(Unit : Million Baht)

	2024	2023	2022
Cash Flows provided from Operating Activities	472	998	676
Cash Flows provided from (used in) Investing Activities	(86)	(757)	(171)
Cash Flows used in Financing Activities	(410)	(431)	(210)
Increase (decrease) in transaction adjustments	(0.7)	0.3	(2)
Net Increase (Decrease) in Cash and Cash Equivalent	(24)	(190)	293

The material changes in cash flows are as follows:

- Decrease in cash flows provided from operating activities of 526 Million Baht mainly due to net cash provided decreased from financial operation of the company and its subsidiaries.
- Increase in cash flows used in investing activities of 671 Million Baht mainly due to redeem maturing Government bonds.
- Decrease in cash flows used in financing activities of 21 Million Baht mainly due to a subsidiary has decrease in repayment for short term borrowing from financial institutions.

2. Sufficiency of liquidity

(Unit : Million Baht)

	2024	2023	2022	
Current Ratio	3.28	3.26	2.74	Times
Quick Ratio	2.53	2.43	2.76	Times
Current Cash Flow Ratio	0.47	0.96	0.67	Times
Debt to Equity ratio	0.29	0.29	0.29	Times

- In 2024, the company and its subsidiaries had increase in Current Ratio and Quick Ratio compare to prior year, whereas was slightly decrease in Current Cash Flow Ratio due to decreased from financial operation of the company and its subsidiaries.

Sustainability Operations

The Company recognizes the importance of conducting business in conjunction with the sustainable development of the organization, where the impacts on the environmental aspects, social aspects, and corporate governance aspects are considered. In 2024, the Company carried out the following sustainability activities:

Environmental aspect The Company has set a goal to reduce greenhouse gas emissions from various activities by the amount of greenhouse gas emissions per each unit produced (Scope1+Scope2) was decreased at 5% with a long-term goal of Carbon Neutrality in 2040 and Carbon Net Zero in 2050 from the base year of 2019 to adapt and keep pace with the challenge of climate change. In 2024, the Company implemented the Carbon Footprint project at the corporate level and achieved certification, which led to setting long-term goals and plans to reduce greenhouse gas emissions. The environmental preservation, particularly the efficient use of natural resources, is a significant issue in driving the economy and social development toward sustainability. The Company has established policies and guidelines for conducting business throughout the supply chain, starting with the development and design of a formula, purchasing, procuring raw materials, producing, and delivering products that are environmentally friendly.

Social aspect The Company conducts its business under the philosophy of “good people,” which emphasizes the development based on basic human rights without discrimination. In 2024, The Company has key human resource Development Projects, such as The Successor Development Project, Leadership Program, Skills development Project, The online media development Project, On-the-job Training(OJT) and Sustainability knowledge development program(ESG DNA). In 2024, there were expenses to development personnel for amounted to Baht 4 million, which accounted for 0.06% of total revenue.

Moreover, the Company encourages its employees to participate in the development of innovation within the organization to deliver products that are of high quality and environmentally friendly. In 2024, research and development expenses for technology and innovation amounted to Baht 142 million, which accounted for 2.30% of total revenue. The Company focuses on developing innovation to serve the needs of its customers, whether they are innovative products and services, production processes, and business models that can generate tangible business benefits. For its research and development planning, the Company has a strategy and portfolio that are aligned with its current and future goals.

Continuous research and development of innovation is an important factor that enhances the competitiveness of the business. The Company has adjusted its innovation strategy to create added value in products and services and emphasized adaptation to meet customers' needs that change rapidly to generate higher profits. In 2024, the Company has various innovation products to serving customers' needs totally 44 items.

Corporate Governance aspect The company conducts its business under the principles of corporate governance and promotes a work environment that is transparent, fair, and no discrimination by implementing risk management principles and business continuity planning to ensure the business can continue its operations appropriately. In addition, the Company has prepared a tax policy to guide its tax operations in a transparent manner. The Company and its subsidiaries paid income tax expenses to the government as follows:

Consolidated	2024	2023	2022
Accounting profit before tax (Million Baht)	621.0	914.5	640.5
Applicable tax rate	0-20%	0-20%	0-20%
Income tax expenses (Million Baht)	96.7	151.3	100.6
Effective tax Rate (%) *	15.6%	16.5%	15.7%
Corporate income tax paid (Million Baht)	120.6	146.7	94.7

* Calculated from income tax expenses divided by profit before tax

In 2024, the Company and its subsidiaries had Income tax expense according to the consolidated financial statements was Baht 96.7 Million, representing an effective income tax rate of 15.6%. However, the effective tax rate was lower than the applicable tax rate, main reason is that some companies have losses. In 2024, the Company and its subsidiaries paid income tax in the amount of Baht 120.6 Million.

Factors or situations which may significantly impact Operating Results and Financial Status of the Company and its Subsidiaries in the Future

In the future, aside from increased cost from the price of raw materials and oil prices that may affect the operating expenses of the company and its subsidiaries, economic conditions, purchasing power, and changes in consumer behavior, as well as technological advances and the economic impact of COVID-19 are also important factors that will affect the company's operations and financial position in the future. Nevertheless, if the company and its subsidiaries is able to adjust and manage its associated costs appropriately, develop innovative products through understanding the needs of customers and changing consumer behavior, and then use that information to set a short-term and long-term strategic plan that covers various related matters, this will lead to the opportunity to sell products to existing customers and new customers in the future.