

Management Discussion and Analysis (MD&A)

Financial Ratio Table

	Consolidated Financial Statement			
	2020	2019	2018	
LIQUIDITY RATIO				
Current Ratio	3.14	2.60	2.46	Times
Quick Ratio	1.74	1.35	1.31	Times
Current Cash Flow Ratio	0.82	0.52	0.58	Times
Receivable Turnover	5.02	5.27	5.38	Times
Average Collection Period	72	68	67	Days
Inventory Turnover	10.40	12.78	16.28	Times
Inventory Turnover Period	35	28	22	Days
Payable Turnover	10.52	10.87	11.46	Times
Payment Period	34	33	32	Days
Cash Cycle	73	63	57	Days
PROFITABILITY RATIO				
Gross Profit	29.13	26.21	24.68	%
Operating Profit	3.79	2.47	3.39	%
Operating Cash Flow Turnover	340.97	328.28	300.83	%
Net Profit	6.24	5.41	6.90	%
Return on Equity	7.55	7.23	9.82	%
EFFICIENCY RATIO				
Return on Total Asset	5.48	5.23	6.96	%
Return on Fixed Asset	32.17	28.97	33.87	%
Asset Turnover	0.88	0.97	1.01	Times
FINANCIAL POLICY RATIO				
Debt to Equity	0.25	0.26	0.27	Times
Interest Coverage	81.89	83.58	86.97	Times
Payout Ratio (The Separate Financial Statements)	62.94	62.91	50.02	%

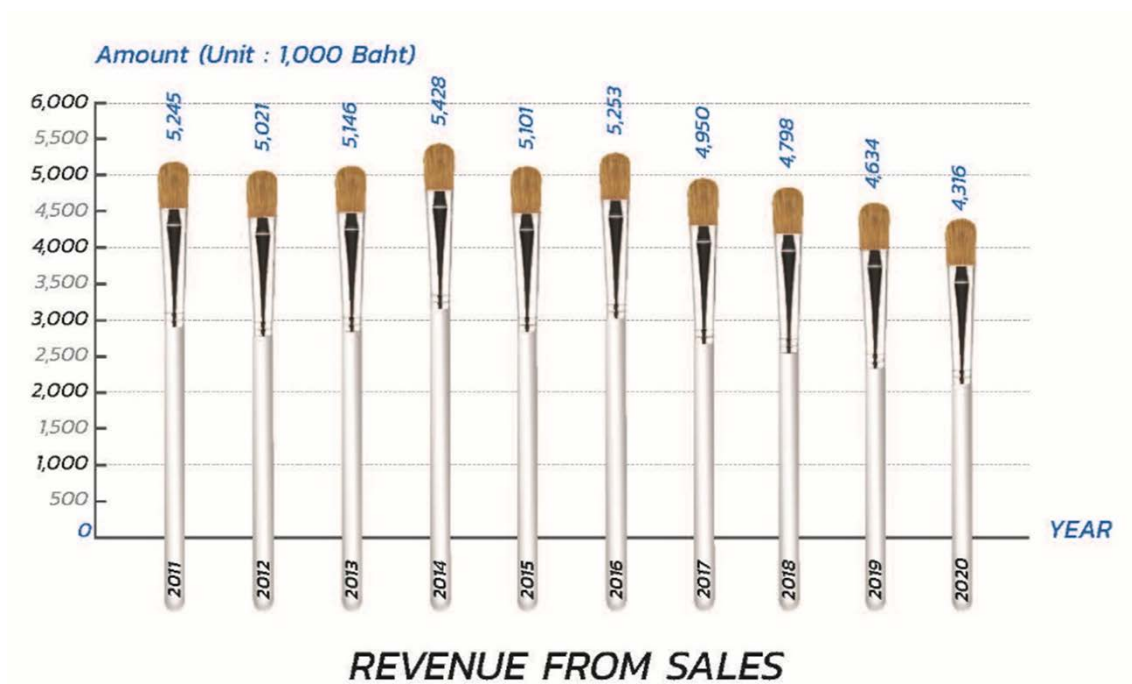
Factors that could affect operating results and financial position in future.

- Nil -

Overview of Business Operations

In 2020, the COVID-19 Pandemic has impacted to recession on global economic and consumers have changed their behaviors to emergence of the New Normal lifestyle pertinent to hygiene, social distancing and increase in online shopping, thus intensifying competition in cosmetic. Besides, other factors such as a US – China trade war, continued Thai Baht exchange rate appreciation has also impacted to export in Thailand. The Company remains resolute in seeking business opportunities both locally and overseas in order to attract new customers with its own innovations developed to fulfil consumer needs, impressive services that always win the customer loyalty. Consequently, the Company could still attain growth and make profits.

Financial performance and financial position



Revenue from sales

In 2020, the company and its subsidiaries had revenue from sales of 4,316 Million Baht, decreased from prior year of 318 million baht or 6.9% due to decrease in local sales of 187 Million Baht or 7.9% and decrease in oversea sales of 131 Million Baht or 5.8% due to recession in economic from the COVID-19 Pandemic.

Gross profit

In 2020, the company and its subsidiaries had gross profit of 29.1% of revenue from sales which increased from prior year of 2.9% due to be able to increase in profitability in cosmetic products and packaging products together with overall control in cost and expenses.

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

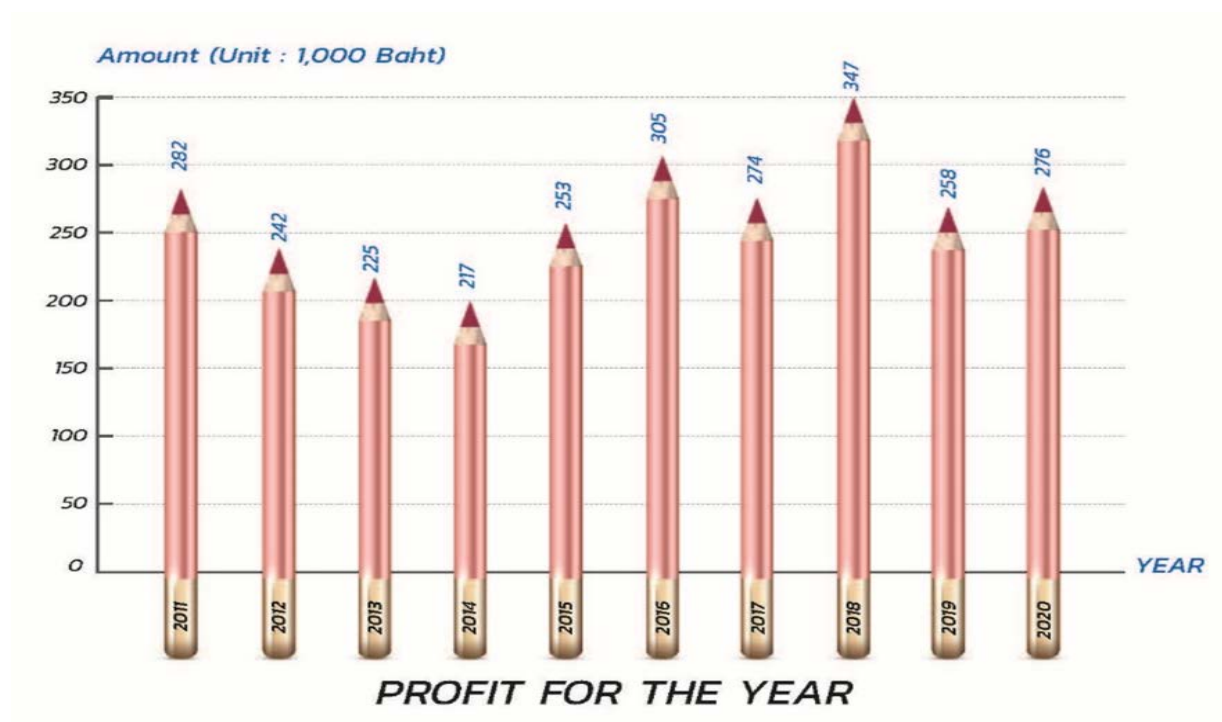
In 2020, the company and its subsidiaries had other income of 103 Million Baht decreased from prior year of 32 Million Baht due to decrease in dividend income, Exchange Gains and other income.

Selling and distribution expenses

In 2020, the company and its subsidiaries had selling and distribution expenses of 144 Million Baht, decreased from prior year 11.2 Million Baht or 7.2% which were related to decrease in revenue from sales.

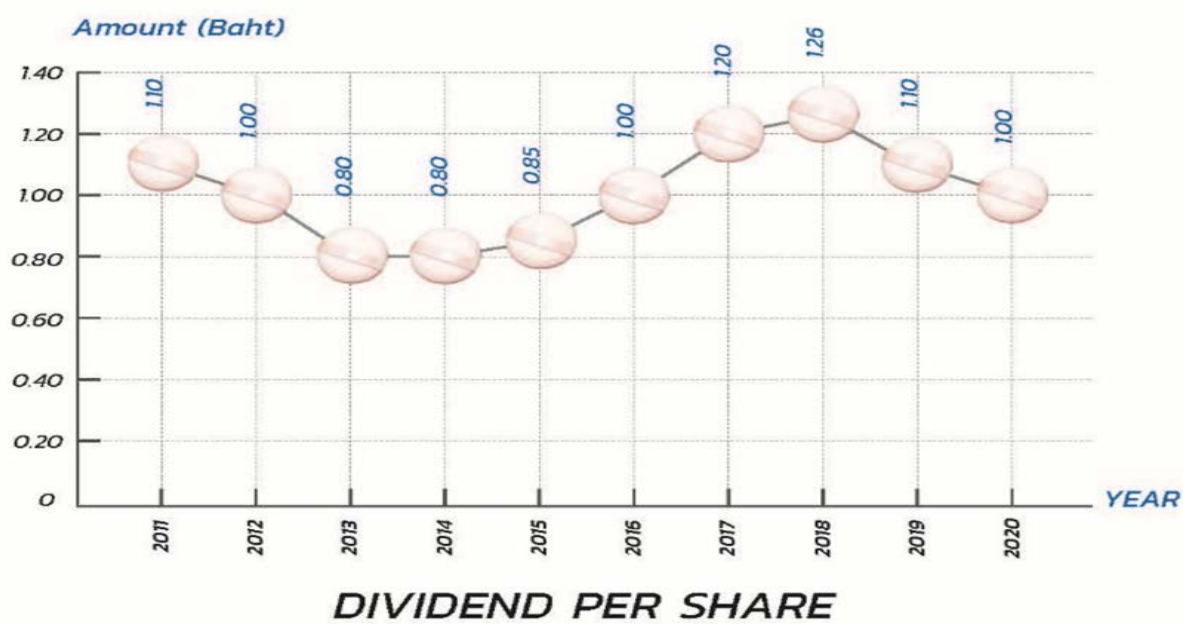
Administrative expenses

In 2020, the company and its subsidiaries had administrative expenses 950 Million Baht, increased from prior year 4.6 Million Baht or 0.5% which the expenses were in the same level as prior year.



Profit attributable to equity holders of the parent

In the consolidated financial statements of year 2020, the company and its subsidiaries had net profit attributable to equity holders of the parent company 276 Million Baht, increased from prior year of 17.7 million baht or 6.8% due to increase in profitability together with overall control in cost and expenses as above explained.



Return on Equity

In the consolidated financial statements of year 2020, the company and its subsidiaries had return on equity of 7.6%, increased from prior year 0.3% due to increase 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 2020, the company had profit for the year of 238.2 Million Baht. The company had the resolution of the Board of Directors' Meeting No.2/2021 held on February 25, 2021 which shall be proposed to the shareholders' ordinary meeting for their approval on April 27, 2021 to pay dividend at the rate of 1.00 Baht per share from the 2020 financial performance, totally 149.9 Million Baht. The proposed dividend payment is equal to 62.9% of profit for the year of the separate financial statement and shall be paid on May 25, 2021.



STATEMENTS OF FINANCIAL POSITION

YEAR	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
EQUITY	2,901	3,581	3,149	3,480	3,481	3,692	3,824	3,885	3,925	4,088
LIABILITIES	2,137	2,390	2,434	2,203	1,828	1,736	1,230	1,040	1,021	1,027
ASSETS	5,038	5,971	5,583	5,683	5,310	5,429	5,054	4,925	4,946	5,115

Financial position

Total Assets : In 2020, the company and its subsidiaries had total assets amounting to 5,115 Million Baht, increased from prior year of 4,946 Million Baht or 3.4% due to material changes as follows:

1. Increase in Cash and cash equivalent of 112 Million Baht due to collection of receivables during the year.
2. Decrease in Property, plant and equipment of 90 Million Baht from depreciation and decrease in acquisition of assets.
3. Increase in Right-of-use assets of 128 Million Baht due to recording in accordance with a new accounting standard which was effective in year 2020.

Total Liabilities : In 2020, the company and its subsidiaries had total liabilities amounting to 1,027 Million Baht, increased from prior year of 1,021 Million Baht or 0.6% due to material changes as follows:

1. Decrease in Bank overdraft and short-term borrowing from financial institutions of 120 Million Baht due to repayment short term borrowing from financial institutions.
2. Increase in Lease liabilities trade and other payables of 129 Million Baht due to recording this account in accordance with a new accounting standard as the above said.

Shareholders' Equity : In 2020, the company and its subsidiaries had shareholders' equity amounting to 4,088 Million Baht, increased from prior year of 3,925 Million Baht or 4.2% due to material changes as follows:

1. Profit for the year of 314 Million Baht and dividend payment of 165 Million Baht.
2. Loss from changes in value of investments (net of income tax) of 70 Million Baht..
3. Cumulative effect from changes in accounting policies of 93 Million Baht.

Liquidity

1. Cash flows in 2020, the company and its subsidiaries had net increase in cash and cash equivalent of 142 Million Baht by separated activities as follows:

(Unit : Million Baht)

	2020	2019	2018
Cash Flows provided from Operating Activities	557.3	375.2	489.6
Cash Flows provided from (used in) Investing Activities	(76.1)	(135.8)	13.1
Cash Flows used in Financing Activities	(343.0)	(156.6)	(488.8)
Increase (decrease) in transaction adjustments	3.6	(8.6)	(3.1)
Net Increase (Decrease) in Cash and Cash Equivalent	141.8	74.2	10.8

The material changes in cash flows are as follows:

- Increase in cash flows provided from operating activities of 182 Million Baht due to decrease in inventories, other current assets and decrease in payment to trade and other payables from purchasing.
- Increase in cash flows provided from investing activities of 60 Million Baht due to decrease in acquisitions of property , plant and equipment.
- Increase in cash flows used in financing activities of 186 Million Baht due to due to repayment short term borrowing from financial institutions.

2. Sufficiency of liquidity

	2020	2019	2018	
Current Ratio	3.14	2.60	2.46	Times
Quick Ratio	1.74	1.35	1.31	Times
Current Cash Flow Ratio	0.82	0.52	0.58	Times
Debt to Equity ratio	0.25	0.26	0.27	Times

In 2020, the company and its subsidiaries had more liquidity reflecting from higher Current Ratio and Quick Ratio, whereas Debt to Equity Ratio of 0.25 times, decreased from prior year due to a result of efficiency of debt collection together with most customers are good and made their payment on time , resulting in decrease in borrowing from financial institution as the above said and reflecting overall adequacy of business liquidity.