

4. Management Discussion and Analysis

4.1 Analysis of Financial Position and Operating Results

4.1.1 Overview of Business Operation

In 2021, whilst the epidemic of the coronavirus (COVID-19) continued to spread throughout the year, it seemed that countries around the world, including Thailand, had learned to adapt new normal lifestyles, with spending levels gradually recovering to help both the domestic economy and those in international markets. Thailand's Gross Domestic Product (GDP) in 2021 is expected to grow from the previous year.

Amidst the various business challenges, the company has continued to adjust and keep seeking opportunity to satisfy customers, along with attracting new customers, both locally and from overseas. Furthermore, the Company continued to develop many aspects of the business, from creating new initiatives and innovations, to the use of improved technologies to enhance communications with local and overseas customers. Concurrently, effective management was put in place to manage business operations risk, so as to be at an appropriate level. Therefore, as a result, the overall operating result of the company and its subsidiaries in 2021 has growth in both revenues and profit, compared to prior year.

4.1.2 Financial performance and Financial position

Revenue from Sales



Revenue from sales

In 2021, the company and its subsidiaries had revenue from sales of 4,906 Million Baht, increased from prior year of 590 million baht or 13.7% by increasing in local sales of 398 Million Baht or 18.3% and increasing in export sales of 192 Million Baht or 9% due to increase in cosmetic products and packaging for cosmetic products.



Gross profit

In 2021, the company and its subsidiaries had gross profit of 29.6% of revenue from sales which increased from prior year of 0.5% due to be able to increase in profitability in cosmetic products and packaging products together with overall control in cost and expenses while cost of raw material and import expenses is higher than prior year.

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

In 2021, the company and its subsidiaries had other income of 152 Million Baht increased from prior year of 48 Million Baht due to increase in dividend income, exchange gains and other income.

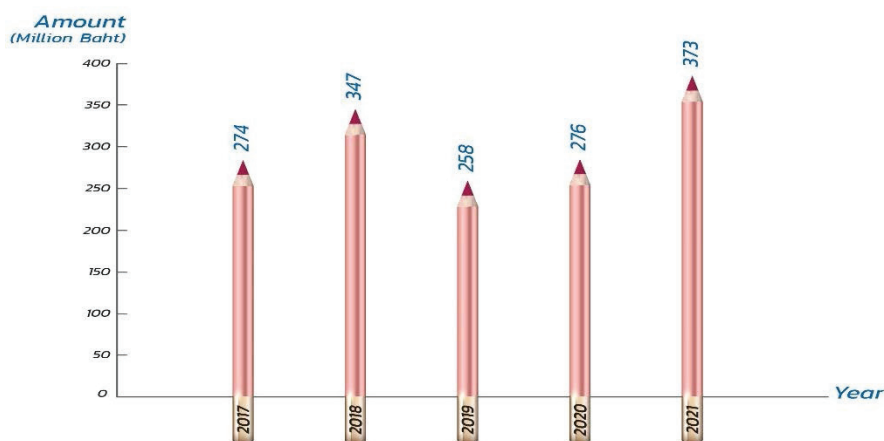
Selling and distribution expenses

In 2021, the company and its subsidiaries had selling and distribution expenses of 212 Million Baht, increased from prior year 48 Million Baht or 47.3% which were related to increase in export expenses together with revenue from sales has increased.

Administrative expenses

In 2021, the company and its subsidiaries had administrative expenses 996 Million Baht, increased from prior year 47 Million Baht or 5% mainly due to increase in personel expenses and reserch and development cost.

Profit for The Year

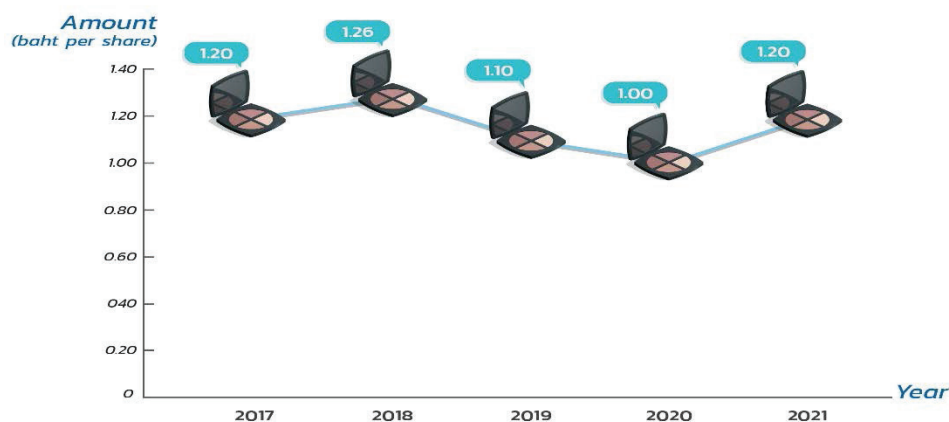


Profit attributable to equity holders of the parent

In the consolidated financial statements of year 2021, the company and its subsidiaries had net profit attributable to equity holders of the parent company of 373 Million Baht, increased from prior year of 97 million baht or 35.1% due to due to increase in sales and its profitability together with overall control in cost and expenses as above explained.



Dividend Per Share



Return on Equity

In the consolidated financial statements of year 2021, the company and its subsidiaries had return on equity of 9.4%, increased from prior year 1.8% 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 2021, the company had profit for the year of 340.4 Million Baht. The company had the resolution of the Board of Directors' Meeting No. 1/2022 held on February 24, 2022 which shall be proposed to the shareholders' ordinary meeting for their approval on April 26, 2022 to pay dividend at the rate of 1.20 Baht per share, totally 179.9 Million Baht. The proposed dividend payment is equal to 52.9% of profit for the year of the separate financial statement and shall be paid on May 25, 2022.

Financial position

Total Assets : In 2021, the company and its subsidiaries had total assets amounting to 5,979 Million Baht, increased from prior year of 864 Million Baht or 16.9% due to material changes as follows:

1. Increase in Cash and cash equivalent of 355 Million Baht due to collection of receivables from increase in sales during the year.
2. Increase in Trade and other receivables of 98 Million Baht due to increase in revenue from sales.
3. Increase in Other non-current financial assets of 225 Million Baht due to increase in listed equity instruments and purchase of investment during the year.
4. Increase in Property, plant and equipment of 94 Million Baht from increase in acquisition of assets and depreciation of assets.



Total Liabilities : In 2021, the company and its subsidiaries had total liabilities amounting to 1,343 Million Baht, increased from prior year of 316 Million Baht or 30.7% due to material changes as follows:

1. Increase in Bank overdraft and short-term borrowing from financial institutions of 146 Million Baht due to a subsidiary has short term borrowing from financial institutions for acquisition of land and building.
2. Increase in Trade and other payables of 152 Million Baht due to increase in purchase of raw material and packaging for manufacturing.

Shareholders' Equity : In 2021, the company and its subsidiaries had shareholders' equity amounting to 4,636 Million Baht, increased from prior year of 548 Million Baht or 13.4% due to material changes as follows:

1. Profit for the year of 399 Million Baht.
2. Dividend payment of 150 Million Baht.
3. Gain from changes in value of investments (net of income tax) of 290 Million Baht.

Liquidity

1. Cash flows in 2021, the company and its subsidiaries had net increase in cash and cash equivalent of 213 Million Baht by separated activities as follows:

	(Unit : Million Baht)		
	2021	2020	2019
Cash Flows provided from Operating Activities	552	557	375
Cash Flows provided from (used in) Investing Activities	(141)	(76)	(136)
Cash Flows used in Financing Activities	(61)	(343)	(156)
Increase (decrease) in transaction adjustments	5	4	(9)
Net Increase (Decrease) in Cash and Cash Equivalent	355	142	74

The material changes in cash flows are as follows:

- Decrease in cash flows provided from operating activities of 5 Million Baht mainly due to increase in profit from operating activities before changes in operating assets and liabilities while trade and other receivables ,inventories, other current assets and trade and other payables are increased totally 132 Million Baht.
- Increase in cash flows used in investing activities of 65 Million Baht mainly due to increase in acquisitions of property , plant and equipment of 176 Million Baht and sales of investments,net of 106 Million Baht.
- Decrease in cash flows used in financing activities of 282 Million Baht mainly due to a subsidiary has increased in short term borrowing from financial institutions for acquisition of land and building.



2. Sufficiency of liquidity

	2021	2020	2019	
Current Ratio	2.63	3.14	2.60	Times
Quick Ratio	1.61	1.74	1.35	Times
Current Cash Flow Ratio	0.70	0.82	0.52	Times
Debt to Equity ratio	0.29	0.25	0.26	Times

In 2021, the company and its subsidiaries had reduce in liquidity reflecting from Current Ratio and Quick Ratio, whereas Debt to Equity Ratio was increased from prior year due to a subsidiary has borrowing from financial institution for expand its business to support the opportunity in sales to existing and new customers in the future.

4.2 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.

