

## Business overview

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In Quarter 2 of 2022, there were follow significant events of the Company.

The Company has allocated 10,001,924,804 newly issued ordinary shares as the Right Offering at the price of 0.05 Baht per share, totaling 500.10 million Baht, as well as allocating STOWER-W4 warrants to existing shareholders for free.

In this regard, the Company has proceeded to **increase the paid-up registered capital** from 2,696.96 million Baht **to 3,697.25 million Baht** on 16 June 2022.

## Statement of Income

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Based on the consolidated financial statements, in Quarter 2 of 2022, **the Company had revenue from sales and services totaling 95.17 million Baht, which is considered an increase from the same quarter of the previous year by 80.49 million Baht or 548.41%. Most of the revenue were from telecommunication services in the Philippines, amounting to 72.57 million Baht,** which is accounting for 76.25 percent of total revenue from sales and services. In addition, there were revenue from the production of substation structures and telecommunication towers in the country, amounting to 20.24 million Baht and income from sales of industrial products amounting to 2.36 million Baht.

**Sales and services revenue was significantly increased due to revenue recognition in QROI Network Services Inc. (QNSI), Philippines** in the full quarter. While the government projects in Thailand have started to generate higher incomes after the Covid-19 epidemic situation began to ease and it is expected to continue to improve after the installation of large high-voltage transmission towers project of the Electricity Generating Authority of Thailand (EGAT) which had been postponed, will resume the auction in the second half of this year.

In Quarter 2 of 2022, the Company had **gross profit of 4.90 million Baht,** representing 5.15% of the revenue from sales and services, which considered an increase of 18.14 million Baht compared to the same quarter of the previous year. The Company expects that gross profit will likely improve accordingly to be in line with the recovery of domestic project work which will reduce the proportion of Cost of Idle Capacity.

In Quarter 2 of 2022, the selling and administrative was increased from the same quarter of the previous year by 2.35 million Baht, mainly due to foreign project development expenses and the net loss amounted was 25.81 million Baht, compared to the same quarter of the previous year which had a loss of 29.71 million Baht (loss of 2021 excluding profit from

disposal of assets held for sale), which had a lower loss compared to the same quarter of the previous year, amounting to 3.90 million Baht or 13.13 percent.

The Company's operating results for the three-month period, Quarter 2 of 2022, are summarized as follows:

Operating Results <i>(unit: million Baht)</i>	For 3 months		increase (decrease)	
	Q2-22	Q2-21	million Baht	%
Revenue from project works	20.24	11.80	8.44	71.5%
Revenue from sales of industrial goods	2.36	2.87	(0.51)	-17.9%
Revenue from telecom services in the Philippines	72.57	-	72.57	
<b>Total revenues from sales and services</b>	<b>95.17</b>	<b>14.68</b>	<b>80.49</b>	<b>548.4%</b>
Cost of project works	25.13	26.35	(1.22)	-4.6%
Cost of industrial goods sales	1.57	1.57	0.01	0.4%
Cost of telecom services in the Philippines	63.57	-	63.57	
<b>Total cost of sales and services</b>	<b>90.27</b>	<b>27.92</b>	<b>62.35</b>	<b>223.3%</b>
<b>Gross profit (loss)</b>	<b>4.90</b>	<b>(13.24)</b>	<b>18.14</b>	<b>137.0%</b>
Selling & administrative expenses	28.65	26.30	2.35	8.9%
<b>Profit (loss) before other incomes and expenses</b>	<b>(23.75)</b>	<b>(39.54)</b>	<b>15.79</b>	<b>39.9%</b>
Other incomes	2.37	8.28	(5.91)	-71.3%
Gain (loss) on exchange rate	(0.16)	5.06	(5.22)	-103.2%
<b>Earnings before interest and tax (EBIT)</b>	<b>(21.54)</b>	<b>(26.20)</b>	<b>4.67</b>	<b>17.8%</b>
Financial cost	4.24	3.79	0.45	11.9%
Income tax expenses	0.44	(0.48)	0.92	191.2%
<b>Net profit (loss) for the period</b>	<b>(26.21)</b>	<b>(29.51)</b>	<b>3.30</b>	<b>11.2%</b>
<b>Net profit (loss) attributable to the parent company</b>	<b>(25.81)</b>	<b>(29.71)</b>	<b>3.90</b>	<b>13.1%</b>
Extra profit on disposal of investment	-	72.31		

## Statement of Financial Position

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The Company's financial position has greatly strengthened growth. After the capital increase and the restructuring of the new business, **the Company has significant asset growth**. The summary of the Company's financial position as of 30 June 2022 is as follows:

- Total assets of 1,324.34 million Baht, which is an increase of 472.60 million Baht or 55%.
- Total liabilities of 176.28 million Baht, which is a decrease of 58.09 million Baht or 25%.
- Total shareholders' equity of 1,148.06 million Baht, which is an increase of 530.69 million Baht or 86%.

As a result, the debt-to-equity ratio (D/E Ratio) was reduced to only 0.15 times from 0.33 times and had sufficient financial liquidity and reserve funds for investment in business expansion according to the new business restructuring plan, which lead in the Company to growth and stable financial position respectively.

Faithfully Yours,

-- Chalothorn Leelamali --

(Mr. Chalothorn Leelamali)  
Company Secretary