

11 November 2022

Subject: Management's Discussion and Analysis of Operating Results for nine-month period ended 30 September 2022

Attention: President

The Stock Exchange of Thailand

Masterkool International Public Company Limited ("the Company") would like to announce the operating results of the Company for the nine-month period ended 30 September 2022 which has been reviewed in the Board of Directors' Meeting No. 10/2022 arranged on 11 November 2022 as following: -

Statement of Financial Position

Unit: Million Baht

Description	Consolidated			
	30/9/2022	31/12/2021	Changes	%
Assets				
Current assets				
Cash and cash equivalents	120.64	66.50	54.14	81.41%
Loans to debtors	359.73	0.37	359.36	97,124.32%
Trade accounts and other receivables	108.99	86.75	22.24	25.64%
Contract assets	2.88	2.91	(0.03)	(1.03%)
Inventories	159.03	201.00	(41.97)	(20.88%)
Real-estate development project cost	67.08	0.00	67.08	-
Other current financial assets	441.32	0.44	440.88	100,200.00%
Other current assets	5.08	0.51	4.57	896.08%
Total current assets	1,264.76	358.49	906.27	252.80%
Non-current assets				
Deposits at financial institutions pledged as collateral	84.85	79.85	5.00	6.26%
Investments in associates	40.25	0.00	40.25	-
Loans to debtors	22.97	119.91	(96.94)	(80.84%)
Investment property	89.73	0.00	89.73	-
Land, building and equipment	53.53	41.26	12.27	29.74%
License assets	10.54	13.00	(2.46)	(18.92%)
Intangible assets	2.41	2.41	0.00	0.00%
Deferred tax assets	0.17	0.00	0.17	-
Other non-current assets	6.30	15.34	(9.04)	(58.93%)
Total non-current assets	310.76	271.77	38.99	14.35%

Description	Consolidated			
	30/9/2022	31/12/2021	Changes	%
Total assets	1,575.52	630.26	945.26	149.98%
Liabilities and equity				
Current liabilities				
Bank overdrafts and short-term loan from financial institutions	37.76	121.32	(83.56)	(68.88%)
Trade and other current payables	79.92	43.77	36.15	82.59%
Liabilities arising from current contracts	3.66	24.76	(21.10)	(85.22%)
Liabilities under the lease agreement due within one year	4.58	9.07	(4.49)	(49.50%)
Short-term loans	20.00	0.00	20.00	-
Provision for warranty	3.65	4.47	(0.82)	(18.34%)
Accrued corporate income Tax	1.60	0.00	1.60	-
Total current liabilities	151.17	203.39	(52.22)	(25.67%)
Non-current liabilities				
Liabilities arising from non-current contracts	2.64	0.33	2.31	700.00%
Long-term provision for warranty	0.00	0.23	(0.23)	(100.00%)
Lease liabilities	6.06	2.26	3.80	168.14%
Non-current debt estimates for employee benefits	18.35	17.36	0.99	5.70%
Deferred tax liabilities	16.84	0.67	16.17	2,413.43%
Other non-current liabilities	0.00	3.89	(3.89)	(100.00%)
Total non - current liabilities	43.88	24.74	19.14	77.36%
Total liabilities	195.05	228.13	(36.08)	(14.50%)
Total shareholders' equity of parent company	1,378.04	402.13	975.91	242.69%
Non-controlling interests	2.42	0.00	2.42	-
Total shareholders' equity	1,380.47	402.13	978.34	243.29%
Total liabilities and shareholders' equity	1,575.52	630.26	945.26	149.98%

Details of significant changes are as follows

1. Credits to short-term debtors increased due to the Company has continued to provide credit.
2. Inventory decreased due to selling products during 9 months of 2022 and efficient inventory management.
3. Cost of real estate development projects increased due to the purchase of real estate in the category of vacant land and townhomes for future development.
4. Other current financial assets increased due to depositing the capital increase for short-term with financial institution.
5. Investment in Joint venture company is an investment in H-DO (THAILAND) Limited.
6. Real estate for investment increased due to land purchased to develop for leasing project.

Income Statement

Unit: Million Baht

Description	Jan.-Sep. 2022	Jan.-Sep. 2021	Changes	%
Sales revenue	315.31	415.15	(99.84)	(24.05%)
Service revenue	133.33	44.61	88.72	198.88%
Interest income	34.71	1.36	33.35	2,452.21%
Other income	4.24	18.00	(13.76)	(76.44%)
Total revenues	487.59	479.12	8.47	1.77%
Cost of sales	262.79	335.53	(72.74)	(21.68%)
Cost of services	97.55	26.44	71.11	268.95%
Selling expenses	47.02	55.58	(8.56)	(15.40%)
Administrative expenses	45.50	57.99	(12.49)	(21.54%)
Loss from exchange rate	4.47	9.76	(5.29)	(54.20%)
Total expenses	457.33	485.30	(27.97)	(5.76%)
Profit (loss) from operating activities	30.26	(6.18)	36.44	(489.64%)
Share of profit (loss) from investment in JV	8.71	-	8.71	-
Profit from buying at a price below fair value	0.18	-	0.18	-
Profit (loss) before finance costs and income tax	39.15	(6.18)	45.33	(633.50%)
Financial cost	5.26	6.91	(1.65)	(23.88%)
Profit (loss) before income tax	33.89	(13.09)	46.98	258.90%
Tax expense	(0.10)	0.09	(0.19)	111.11%
Profit (loss) for the period	33.99	(13.18)	47.17	257.89%

Details of significant changes are as follows

1. Revenue from sales decreased due to the reduction of branches in the retail channel while service revenue increased from the expansion of customer base through corporate channels as a result, the overall income is similar to the same period of the year 2021.
2. Interest income arising from the granting of credit in the financial business which is a new business of the Company
3. Selling and administrative expenses decreased due to the overall cost control is in line with the sales revenue.
4. Increased share of profit from investments in joint venture H-DO (THAILAND) Limited due to the profit from selling common shares of H-DO Asset Management Limited a subsidiary of H-DO to Beyond Capital Company Limited.

Please be informed accordingly.

Sincerely yours,

-Noppachai Veeraman-

(Mr. Noppachai Veeraman)

Managing Director