



February 21, 2023

Re : Management Discussion and Analysis for the Year 2022

To : Director and Manager of the Stock Exchange of Thailand

**Revenue from Sale of Goods and Rendering of Services**

The Company has reported revenues from sale of goods and rendering of services of 3,220 million Baht, which represents an increase of 542 million Baht or increased by 20% from the same period a year before, and is a result of the increase of Project Sales by 22%, Wholesale/Retail Sales by 18% and Overseas Sales by 18%. The improved situation of COVID-19 in Thailand has allowed businesses to adapt well to the pandemic, encouraging them to renovate and expand their operations, and in 2022 the Company has secured a few major projects, such as the Queen Sirikit National Convention Center and Park Silom, etc., resulting in the increase of Project Sales and Wholesale/Retail Sales. With regard to the Overseas Sales, the sale of goods to the US market has been able to maintain a slight increase for 2022.

**Profit for The Year**

The Company has recorded a net profit of 31.4 million Baht, which is a decrease of 12.4 million Baht from the previous year, or decreased by 28%, due to the following factors :

- Gross Profit and Other Income increased by 105.6 million Baht or increased by 14%, and is a result of the 20% sale increase and the gross profit margins decreased from 27.0% in 2021 to 25.6% in 2022, due to an unfavorable product mix, with a lower proportion of higher margin products sold in 2022. Furthermore, the Company was impacted by the installation of a turn-key project, which affected its gross profit margins.
- Marketing and Administrative Expenses, including Interest Expenses, increased by 121.4 million Baht, or increased by 17%, due to the increase of expenses that varied with sales and operating performance, and the increase of expenses associated with the implementation of SAP ERP, as well as higher transportation expenses arising from higher sales and petroleum costs. In 2022, the Company had to make a bad debt provision for a customer, amounting to 16.0 million Baht. Additionally, the interest expenses also increased due to a higher borrowing level attributed to higher sales.
- Corporate Income Tax decreased by 3.4 million Baht.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Napaporn V.', with a stylized flourish at the end.

Mrs. Napaporn Vimomanupong  
Managing Director