

February 27, 2023

Subject: Management Discussion and Analysis for the year ended December 31, 2022

To: President
The Stock Exchange of Thailand

Communication & System Solution Public Company Limited (“the Company”) and its subsidiaries are pleased to submit herewith the explanation of the operating results for the year ended December 31, 2022

Revenues

The Company and its subsidiaries recorded revenues from sales and installment services for the year of Baht 4,657 million, up to Baht 648 million or representing increase 16% separated by type of income as follows;

Revenue from sales of Baht 3,849 million increased by 810 million baht, representing 27 % increased from the price of electric wire and accessories.

Revenues from installation services of Baht 793 million down to 21 million baht, representing 3% due to the year 2021, telecommunication income declines.

Other income 15 million Baht decrease from the previous year of 140 million baht, because last year the company had gain on disposal of land 146 million baht.

Gross Profit

The Company and its subsidiaries registered gross profit of Baht 530 million baht or representing 11 % of revenues from sales and installation services. which decrease from the last year in the previous, with 13 million baht, representing 2%.

Gross Profit from sale of Baht 416 million baht increased from the same year in the previous amount Baht 25 million when compared as a percentage down from 13% to 11% ,due to high competition.

Gross Profit from installation service of Baht 114 million baht decreased of 38 million baht from The previous year, but when compared to a percentage of revenue, the margin of installation service decreased from 19 % to 14% due to the revenue for other installation services which has margin of 10-13%.



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Selling and Administrative Expenses

Selling and administrative expenses and of the Company and its subsidiaries for the year amounted to Baht 373 million baht, decreased of Baht 17 million when compared to the previous year. The selling expenses increase up 13 million baht and administrative expenses decreased by 30 million baht, administrative expenses decrease from land sale expenses and allowance for expected credit losses. The ratio of selling and administrative expenses to total revenue in the year amount 8 % and if compared to the same previous year, decreased by 2%.

Profit on diminution in value of associates

In the year of 2022, the Company received a share of loss from investments in associates amounting to 16 million baht, due to the effect of foreign exchange.

Net profit

From the factors mentioned above, the Company and its subsidiaries Net profit for the year 2022 was 115 million baht, a decrease of 131 million baht from the previous year, or 65%. Compared to the performance in 2022, the company's performance was better than 2021, with sales and service income increasing. Selling and administrative expenses decreased. As a result, operating profit increased. But since last year the company made a gain on disposal of land 146 million, making net profit in 2021 more than in 2022.

Please be informed accordingly

Yours sincerely,

Panida Sawatwannarat

Chief Financial Officer

Communication & System Solution Public Company Limited