

วันที่ 28 February 2023

Subject: Management's Discussion and Analysis of Operating Results for the year ended 31 December 2022

Attention: The 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 year ended 31 December 2022 which has been reviewed in the Board of Directors’ Meeting No. 1/2023 arranged on 28 February 2023 as following: -

Statement of Financial Position (Consolidated)

Unit: Million Baht

Description	As of			
	31/12/2022	31/12/2021	Changes	%
Assets				
Current assets				
Cash and cash equivalents	126.29	66.50	59.79	89.91%
Loans to debtors	363.15	0.37	362.78	98,148.65%
Trade accounts and other receivables	93.77	86.75	7.02	8.09%
Contract assets	4.26	2.91	1.35	46.39%
Inventories	164.78	201.00	(36.22)	(18.02%)
Real-estate development project cost	34.24	0.00	34.24	-
Foreclosed properties	5.10	0.00	5.10	-
Other current financial assets	430.44	0.44	430.00	97,827.27%
Other current assets	8.04	0.51	7.53	1476.71%
Total current assets	1,230.07	358.49	871.58	243.13%
Non-current assets				
Deposits at financial institutions pledged as collateral	66.55	79.85	(13.30)	(16.67%)
Investments in associates	41.78	0.00	41.78	-
Loans to debtors	22.97	119.91	(96.94)	(80.84%)
Investment property	91.99	0.00	91.99	-
Land, building and equipment	52.95	41.26	11.69	28.33%

Description	As of			
	31/12/2022	31/12/2021	Changes	%
Land awaiting development	33.59	0.00	33.59	-
License assets	13.91	13.00	0.91	7.00%
Intangible assets	2.25	2.41	(0.16)	(6.64%)
Deferred tax assets	0.18	0.00	0.18	-
Other non-current assets	2.42	15.34	(12.92)	(84.22%)
Total non-current assets	328.59	271.77	56.82	20.91%
Total assets	1,558.66	630.26	928.40	147.30%
Liabilities and equity				
Current liabilities				
Bank overdrafts and short-term loan from financial institutions	20.93	121.32	(100.39)	(82.75%)
Trade and other current payables	69.45	43.77	25.68	58.67%
Liabilities arising from current contracts	5.72	24.76	(19.04)	(76.90%)
Liabilities under the lease agreement due within one year	5.21	9.07	(3.86)	(42.56%)
Short-term loans	20.00	0.00	20.00	-
Provision for warranty	3.07	4.47	(1.40)	(31.32%)
Other current financial liabilities	1.35	0.00	1.35	-
Accrued corporate income Tax	0.29	0.00	0.29	-
Total current liabilities	126.02	203.39	(77.37)	(38.04%)
Non-current liabilities				
Liabilities arising from non-current contracts	1.53	0.33	1.20	363.64%
Long-term provision for warranty	0.00	0.23	(0.23)	(100.00%)
Lease liabilities	8.79	2.26	6.53	288.94%
Non-current debt estimates for employee benefits	14.81	17.36	(2.55)	(14.69%)
Deferred tax liabilities	16.74	0.67	16.07	2,398.51%
Other non-current liabilities	0.00	3.89	(3.89)	(100.00%)
Total non - current liabilities	41.87	24.74	17.13	69.24%
Total liabilities	167.89	228.13	(60.24)	(26.41%)
Total shareholders' equity of parent company	1,389.28	402.13	987.15	245.48%
Non-controlling interests	1.49	0.00	1.49	-

Description	As of			
	31/12/2022	31/12/2021	Changes	%
Total shareholders' equity	1,390.77	402.13	988.64	245.85%
Total liabilities and shareholders' equity	1,558.66	630.26	928.40	147.30%

Details of significant changes are as follows

1. Increase in loans to debtors because capital increase to expand credit business.
2. Inventory decreased due to accelerating sales of products and efficient inventory management.
3. Cost of real estate development projects increased due to the purchase of real estate to develop for sale.
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 acquisition of investment in H-DO (THAILAND) Limited 49%.
6. Real estate for investment increased due to purchase of land to develop a project for rent of a subsidiary in Udonthani Province
7. Land awaiting development arising from bidding for purchase of land of a subsidiary company's debtor from the public auction of the Legal Execution Department.
8. Bank overdrafts and short-term loans from financial institutions decreased due to the Company use the proceeds from the capital increase to pay for reducing financial costs.
9. Decreased liabilities arising from current contracts due to
10. Liabilities arising from revolving contracts decrease due to deposits received in advance for foreign customers who purchase products and advance income from real estate development project costs.

Income Statement Consolidated

Unit: Million Baht

Description	2022	2021	Changes	%
Sales revenue	345.09	455.35	(110.26)	(24.21%)
Service revenue	173.47	64.19	109.28	170.24%
Interest income	45.18	5.92	39.26	663.18%
Other income	10.91	20.17	(9.26)	(45.91%)
Total revenues	574.65	545.63	29.02	5.32%
Cost of sales	288.01	369.72	(81.71)	(22.10%)

Description	2022	2021	Changes	%
Cost of services	133.54	38.10	95.44	250.50%
Selling expenses	63.20	72.14	(8.94)	(12.39%)
Administrative expenses	50.85	70.75	(19.90)	(28.13%)
Loss from exchange rate	3.77	7.57	(3.80)	(50.20%)
Total expenses	539.37	558.28	(18.91)	(3.39%)
Profit (loss) from operating activities	35.28	(12.65)	47.93	(378.89%)
Share of profit (loss) from investment in JV	10.24	0.00	10.24	-
Profit from buying at a price below fair value	0.18	0.00	0.18	-
Profit (loss) before finance costs and income tax	45.70	(12.65)	58.35	(461.26%)
Financial cost	6.14	8.38	(2.24)	(26.73%)
Profit (loss) before income tax	39.56	(21.03)	60.59	288.11%
Tax expense	(1.35)	0.34	(1.69)	497.06%
Profit (loss) for the period	40.91	(21.37)	62.28	291.44%

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 increased due to 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.

Please be informed accordingly.

Sincerely yours,

-Noppachai Veeraman-

(Mr. Noppachai Veeraman)

Managing Director