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**The Capital Engineering Network Public Company Limited**  
**Management's Discussion and Analysis for first quarter of Year 2023**

### The group of company overview

Overview of the business group for the first quarter of Year 2023, Capital Engineering Network Public Company Limited, the company and its subsidiaries (collectively referred to as the "the Group"). The Thai economy continued to recover, supported by an improvement in consumption due to the easing inflationary pressure. In addition, the tourism sector has expanded continuously, resulting in the group's business expansion, continuous investment and business development.

On March 15, 2023, the resolution of the Extraordinary General Meeting of Shareholders No. 1/2023 to increase the registered capital to be used as compensation for the purchase and transfer of ASTI shares in accordance with the Singapore Stock Exchange Regulation.

Investment in semiconductor business by acquiring 130,209,600 shares of ASTI Holdings Limited (ASTI) or 19.89% of paid-up shares in the total value of THB 216,147,936. The Company will issue up to 80,000,000 shares of capital increase ordinary shares to the private placement at the offering price of THB 2.702 per share. The Group of Companies has continuously expanded its overseas investment and investment in the Philippines. The investment in the semiconductor business, which is a subsidiary of ASTI. Consequently, [This will help to further expand the business and reduce the cost of production in businesses](#) that the company invests in to further expand its business.

### Overview of the performance in the first Quarter of 2023

Consolidate Financial Statement (Audited)	For the first quarter			
	2023	2022	QoQ+(-)	%
Revenue of Sales and Services	343.60	384.38	(40.78)	(10.61)
Cost of Sales and Services	(336.48)	(385.73)	(49.25)	(12.77)
<b>Gross Profit</b>	<b>7.12</b>	<b>(1.35)</b>	<b>8.47</b>	<b>627.41</b>
Distribution cost	(8.96)	(8.10)	0.85	10.48
Administrative Expensed	(51.99)	(35.17)	16.82	47.82
Investment Income and Financial Assets	66.58	20.42	46.16	226.05
Other Income	7.24	12.07	(4.15)	(34.38)
<b>Profit (Loss) from operation</b>	<b>20.67</b>	<b>(12.14)</b>	<b>32.81</b>	<b>270.26</b>
Finance cost	(3.35)	(3.99)	(0.64)	(16.04)
Income Tax	3.07	(5.02)	(8.09)	(161.16)
<b>Net Profit (Loss)</b>	<b>20.39</b>	<b>(21.14)</b>	<b>41.54</b>	<b>196.41</b>
<b>Profit (Loss) attributable of the company</b>	<b>30.11</b>	<b>(2.04)</b>	<b>32.14</b>	<b>1,575.98</b>
<b>Profit (Loss) attributable of Non-Control</b>	<b>(9.72)</b>	<b>(19.10)</b>	<b>9.38</b>	<b>49.11</b>
<b>Profit (Loss) per share</b>	<b>0.041</b>	<b>(0.003)</b>		
<b>Net Profit (Loss) Margin</b>	<b>4.87%</b>	<b>(5.07%)</b>		

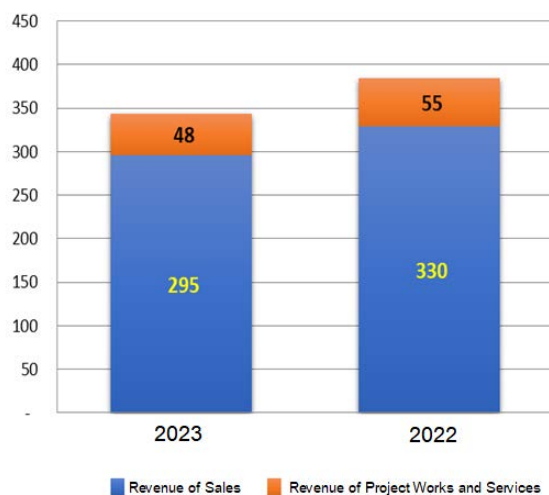
Overview of the Group's operating performance for the first quarter of 2023 showed a net profit of THB 20.39 million, an increase of THB 41.54 million or 196.41%. The gross profit from operations was THB 7.12 million and the gain from fair value adjustment of financial assets was THB 66.58 million compared to the same period of last year. **The Company's consolidated net profit of THB 30.11 million and earnings per share of THB 0.041 per share.** The separate financial statements of THB 30.90 million or THB 0.043 per share are summarized as follows.

## Revenue

### 1. Revenue from sales

**The revenue from sales of steel wires (RWI) was decreased** than the previous year, and revenue from product sales decreased by THB 61.80 million, as the market price of raw materials continued to decline, the price of raw materials fell in line with the market price, resulting in customers delaying orders to assess the situation. **Revenue from Electricity and Thermal Power Sales (ENESOL) increased** by 97% compared with the same period of last year due to fluctuating electricity prices and rising natural gas prices. **Revenue from sales of industrial products (STOWER) was THB 3.42 million, an increase of 123% from the previous year.**

### 2. Revenue from Project Works and Services



The Company's subsidiary (STOWER) **consolidated sales and service income was THB 51.59 million**, slightly decreasing from THB 4.75 million in the same quarter of last year, **mainly from telecommunications business in the Philippines amounting to THB 31.29 million or 60.65% of sales and service revenue.** In this quarter, Skytowers Infra Inc., a subsidiary company in the Philippines, had recognized the rental revenue from leasing of 23 telecommunication towers, resulting in an increase in revenue of 109.23%.

It is expected that the Company will be able to deliver an additional 17 telecommunication stations in the second quarter, which will further increase the Company's recurring income. Furthermore, QROI Network Services Inc. (QNSI), another subsidiary company in the Philippines, has initially recognized revenue from new services in tower audits and site operation and maintenance, which is expected to become a significant source of new revenue for QNSI, in addition to its existing business of providing the services of installation and implementing the mobile phone transmission system equipment on telecommunication towers.

### 3. Profit of Financial Assets Fair Value Measurement

The unrealized profit from the adjustment of fair value of securities in the market demand for trading at a certain time only.

### 4. Other Income

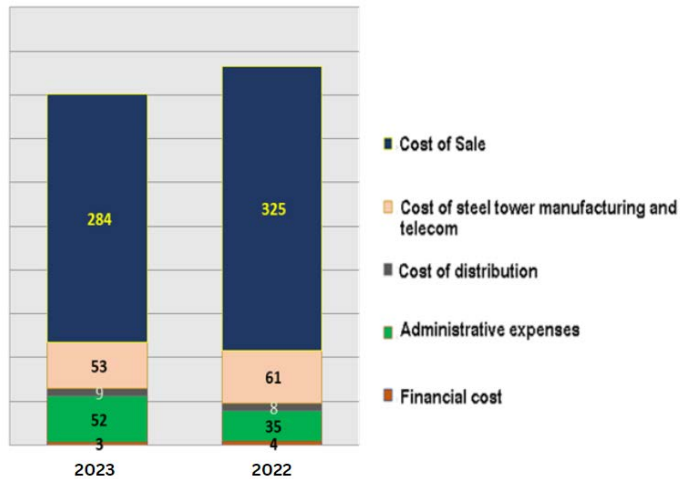
As part of other income was from raw material scrap sales, interest receivable, and other income.

## Expenses

The total expenses from the group were THB 400.78 million, decreased by THB 32.21 million (7.44%), compared to the same period THB 432.99 million, in 2022.

### 1. Cost of Sales and Project Works

The cost of product sales and services was THB 336.48 million, decreased by THB 49.25 million (12.77%), compared to THB 385.73 million the same period of last year due to the lower cost of sales as a result of the



reversal of the allowance for measuring the value of goods of THB 25.99 million. As well as lower sales volume for the steel wire and telecommunications businesses, the cost management has improved. This year, the company has gradually delivered telecommunications towers to local and international customers. As a result, the cost of distribution increased by 10.48% and the cost of transportation was managed well within the specified limits.

### 2. Administrative Expenses

The administrative expenses in 2023 **increased** by THB 16.82 million from the same quarter of last year. As a result of STOWER's investment in QNSI, QNSI's expenses were included in the full quarter financial statements. This is compared to the same quarter last year, in which only part of QNSI costs were recognized.

### 3. Financial Cost

The majority of the financial costs were interest expense from credit facilities and improved debt management, resulting in a 16.04% decrease in financial costs compared to 2022.

## Financial Position

Statement of Financial Position	March 31, 2023	%	December 31, 2022	%	Increased (Decreased)	%
Current Assets	1,905.99	55%	1,846.94	54%	59.59	3.23
Non-Current Assets	1,567.25	45%	1,544.24	46%	23.01	1.49
<b>Total Assets</b>	<b>3,473.24</b>	<b>100%</b>	<b>3,391.18</b>	<b>100%</b>	<b>82.06</b>	<b>2.42</b>
Current Liabilities	185.42	5%	186.74	6%	(1.32)	(0.71)
Non-Current Liabilities	330.61	10%	312.08	9%	18.53	5.94
Total Liabilities	516.03	15%	498.82	15%	17.21	3.45
<b>Shareholders' Equity of Company</b>	<b>1,777.31</b>	<b>51%</b>	<b>1,703.39</b>	<b>50%</b>	<b>73.92</b>	<b>4.34</b>
Shareholder's Equity of NC	1,179.90	34%	1,188.97	35%	(9.07)	(0.76)
Total Shareholders' Equity	2,957.21	85%	2,892.36	85%	64.85	2.24
<b>Total Liabilities and Shareholders' Equity</b>	<b>3,473.24</b>	<b>100%</b>	<b>3,391.18</b>	<b>100%</b>	<b>82.06</b>	<b>2.42</b>

➤ **Asset**

As of March 31, 2023, the group total assets amounted to **THB 3,473.24 million, increased by THB 82.06 million (2.42%)**, compared with 2022. The total assets as a result of the delivery of leased telecommunications towers in the Philippines and the recognition of fair value of financial assets.

➤ **Liabilities**

As of March 31, 2023, the group total liabilities amounted to **THB 516.03 million, increased by 3.45%**, due to the subsidiary leased additional land for the installation of telecommunication towers.

➤ **Shareholders' Equity**

As of March 31, 2023, the Shareholders' equity of the company was **THB 2,957.21 million, increased by THB 64.85 million (2.24%)**, compared to THB 3,391.18 million on 31 December 2022, due to the divestment of shares repurchased and operating profit recognized.

**Financial Ratio**

Financial Ratio Highlights	Q1-2023	2022	Q1-2022
<b>Current Ratio</b>	10.28	9.89	6.08
<b>Debt to Equity Ratio (D/E Ratio)</b>	0.17	0.17	0.26
<b>Return on Assets (ROA)</b>	0.87%	(7.68%)	(0.05%)
<b>Return on Equity (ROE)</b>	1.69%	(15.30%)	(0.09%)
<b>Book Value Per Share **</b>	2.39	2.29	2.91

**\*\*Calculated by the number of paid-up registered ordinary shares of the Company in the amount of 745,161,919 shares.**

As of March 31, 2023, the group's current ratio of 10.28x, increased by 4.20x, compared to the same period of last year. This demonstrates that the company has improved its liquidity management compared to the previous year.

The D/E total ratio was 0.17x, decreased by 0.09x, compared to the Year 2022 which showed liabilities well managed by the group.

The ROA was 0.87% and ROE was 1.69%, equal when compared to the Year 2022, as a result of the group recognized loss of fair value assessment in 2023, resulting in a different utilization of assets and shareholders' equity from the previous year.

The book value per share of the company was THB 2.39 per share, compared to 31 December 2022, which showed that the company was affected by the global economic and war conditions.

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(Laphassarin Kraiwongwanitruong)  
Acting Chief Executive Officer