

15 May 2023

Subject: Management's Discussion and Analysis of Operating Results for the three-month period ended 31 March 2023

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 and its subsidiaries for the three-month period ended 31 March 2023 which has been reviewed in the Board of Directors' Meeting No. 3/2023 arranged on 15 May 2023 as following: -

**Statement of Financial Position (Consolidated)**

Unit: Million Baht

Description	As of			
	31/3/2023	31/12/2022	Changes	%
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	145.02	126.29	18.73	14.83%
Loans to debtors	403.10	363.14	39.96	11.00%
Trade accounts and other receivables	86.62	93.79	(7.17)	(7.64%)
Contract assets	1.28	4.26	(2.98)	(69.95%)
Inventories	152.15	164.78	(12.63)	(7.66%)
Cost of real estate development projects	47.88	34.24	13.64	39.84%
Foreclosed properties	3.40	5.10	(1.70)	(33.33%)
Other current financial assets	310.00	430.44	(120.44)	(27.98%)
Other current assets	18.00	8.04	9.96	123.88%
<b>Total current assets</b>	<b>1,167.44</b>	<b>1,230.07</b>	<b>(62.63)</b>	<b>(5.09%)</b>
<b>Non-current assets</b>				
Deposits at financial institutions pledged as collateral	68.55	66.55	2.00	3.00%
Investments in associates	42.17	41.78	0.39	0.93%

Description	As of			
	31/3/2023	31/12/2022	Changes	%
Loans to debtors	40.97	22.97	18.00	78.36%
Investment property	130.02	91.99	38.03	41.34%
Land, building and equipment	52.82	52.95	(0.13)	(0.25%)
Land awaiting development	33.60	33.59	0.01	0.03%
License assets	12.31	13.91	(1.60)	(11.50%)
Intangible assets	2.16	2.25	(0.09)	(4.00%)
Deferred tax assets	2.55	0.18	2.37	1316.67%
Other non-current assets	3.66	2.42	1.24	51.24%
<b>Total non-current assets</b>	<b>388.81</b>	<b>328.59</b>	<b>60.22</b>	<b>18.33%</b>
<b>Total assets</b>	<b>1,556.25</b>	<b>1,558.66</b>	<b>(2.41)</b>	<b>(0.15%)</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Bank overdrafts and short-term loan from financial institutions	25.70	20.93	4.77	22.79%
Trade and other current payables	73.20	69.45	3.75	5.40%
Liabilities arising from current contracts	13.93	5.72	8.21	143.53%
Liabilities under the lease agreement due within one year	5.16	5.21	(0.05)	(0.96%)
Short-term loans	-	20.00	(20.00)	(100.00%)
Provision for warranty	2.21	3.07	(0.86)	(28.01%)
Other current financial liabilities	0.43	1.35	(0.92)	(68.15%)
Accrued corporate income Tax	1.85	0.29	1.56	537.93%
<b>Total current liabilities</b>	<b>122.48</b>	<b>126.02</b>	<b>(3.54)</b>	<b>(2.81%)</b>
<b>Non-current liabilities</b>				
Liabilities arising from non-current contracts	2.42	1.53	0.89	58.17%
Long-term provision for warranty	0.02	0.00	0.02	100.00%
Lease liabilities	7.29	8.79	(1.50)	(17.06%)
Non-current debt estimates for employee benefits	15.18	14.81	0.37	2.50%
Deferred tax liabilities	16.06	16.74	(0.68)	(4.06%)

Description	As of			
	31/3/2023	31/12/2022	Changes	%
Other non-current liabilities	0.00	0.00	-	-
<b>Total non - current liabilities</b>	<b>40.97</b>	<b>41.87</b>	<b>(0.90)</b>	<b>(2.15%)</b>
<b>Total liabilities</b>	<b>163.45</b>	<b>167.89</b>	<b>(4.44)</b>	<b>(2.64%)</b>
<b>Total shareholders' equity of parent company</b>	<b>1,391.32</b>	<b>1,389.28</b>	<b>2.04</b>	<b>0.15%</b>
Non-controlling interests	1.49	1.49	-	-
<b>Total shareholders' equity</b>	<b>1,392.81</b>	<b>1,390.77</b>	<b>2.04</b>	<b>0.15</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,556.25</b>	<b>1,558.66</b>	<b>(2.41)</b>	<b>(0.15%)</b>

Details of significant changes are as follows

1. Loans to debtors increased due to the Company use the capital increase to expand the credit business.
2. Inventories decreased because acceleration of sale of goods and more efficient inventory management.
3. Cost of real estate development projects Increased because purchase land to develop for sale
4. Other current financial assets decreased because using short-term deposits with financial institutions to give credit to debtors and to purchase real estate for development.
5. Other current assets increased the product deposit from abroad.
6. Investment properties increased because purchase land to develop for rental.
7. Bank overdrafts and short-term loans from financial institutions increased because the Company opens LC/TR to purchase products for sale in the summer.
8. Liabilities arising from revolving contracts increased because deposits from foreign customers.

**Income Statement Consolidated**

Unit: Million Baht

Description	Jan.-Mar. 2023	Jan.-Mar. 2022	Changes	%
Sales revenue	82.38	170.37	(87.99)	(51.65%)
Service revenue	26.33	64.92	(38.59)	(59.44%)
Interest income	10.73	9.39	1.34	14.27%
Other income	1.95	2.51	(0.56)	(22.31%)
<b>Total revenues</b>	<b>121.39</b>	<b>247.20</b>	<b>(125.81)</b>	<b>(50.89%)</b>
Cost of sales	65.77	142.80	(77.03)	(53.94%)

Description	Jan.-Mar. 2023	Jan.-Mar. 2022	Changes	%
Cost of services	13.68	50.75	(37.07)	(73.04%)
Selling expenses	13.70	16.25	(2.55)	(15.69%)
Administrative expenses	26.80	20.23	6.57	32.48%
<b>Total expenses</b>	<b>119.95</b>	<b>230.03</b>	<b>(110.08)</b>	<b>(47.85%)</b>
<b>Profit (loss) from operating activities</b>	<b>1.45</b>	<b>17.17</b>	<b>(15.72)</b>	<b>(91.56%)</b>
Share of profit (loss) from investment in JV	0.39	1.18	(0.79)	(66.95%)
Profit from buying at a price below fair value	-	0.18	(0.18)	(100.00%)
<b>Profit (loss) before finance costs and income tax</b>	<b>1.84</b>	<b>18.53</b>	<b>(16.69)</b>	<b>(90.07%)</b>
Financial cost	1.08	1.67	(0.59)	(35.33%)
<b>Profit (loss) before income tax</b>	<b>0.76</b>	<b>16.86</b>	<b>(16.10)</b>	<b>(95.49%)</b>
Tax expense	(1.28)	1.13	(2.41)	(213.27%)
<b>Profit (loss) for the period</b>	<b>2.04</b>	<b>15.73</b>	<b>(13.63)</b>	<b>(87.03%)</b>

Details of significant changes are as follows

1. Sales Revenue decreased because cancellation of sales through retail channels and decreased revenue from foreign channels because economic conditions in Europe raising interest rates which is the main customer.
2. Interest income increased because granting of credit in the part of the financial business.
3. Selling expenses decreased because controlling overall expenses in line with sales revenue.

Please be informed accordingly.

Sincerely yours,

-Noppachai Veeraman-

(Mr. Noppachai Veeraman)

Managing Director