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MGT FNC 2023/002

12 May 2023

Subject: Management Discussion and Analysis for Operating results for the first quarter of 2023

To: Director and Manager of the Stock Exchange of Thailand

Megachem (Thailand) Public Company Limited ("The Company") would like to clarify the overview of the operating results for the first quarter of Year 2023 ended March 31, 2023 as follows:

Description	Q1 2023	Q1 2022	Var	% Var	Q4 2022	Var	% Var
Sale of Goods	261.27	282.32	(21.05)	(7.46)	217.83	43.44	19.94
Less Cost of sales	183.76	202.98	(19.22)	(9.47)	158.03	25.73	16.28
Gross Profit	77.51	79.34	(1.83)	(2.31)	59.80	17.71	29.62
Gross Profit (%)	30%	28%			27%		
Other income	0.76	1.00	(0.24)	(24.00)	(2.80)	3.56	(127.14)
Selling & distribution & Administrative expenses	45.96	40.92	5.04	12.32	45.57	0.39	0.86
Profit for the Period	23.88	30.37	(6.49)	(21.37)	8.17	15.71	192.29

Sales Revenue

In Q1/2023, sales revenue decreased by 21.05 million baht representing a 7.46% decreased when compared to Q1/2023 but increased by 19.94% compared to Q4/2022.

Gross Profit

- Gross profit in Q1/2023 decreased by 1.83 million baht, representing a decrease of 2.31% compared to Q1/2022 and gross profit increased by 29.62% compared to Q4/2022.

- % Gross profit margin in Q1/2023 increased compared to the same quarter of 2022 from 28% to 30%.

Selling and Administrative Expenses

In Q1/2023, the Company's selling and administrative expenses increased by 5.04 million baht or accounted for an increase of 12.32% from the same quarter of 2022 due to the restructuring of the estimate annual cost and variable cost according to the increased sales of the affiliated companies. When compared to Q4/2022, overall expenses were at the same level.

Net Profit

In Q1/2023, the Company's net profit decreased by 6.49 million baht due to the decrease in sales. However, when compared with Q4/2022, the Company has a net profit increase by 192.29%.

According to the Company's performance in Q1/2023, The Company still has the ability to manage and prepare to cope with the fluctuation of exchange rates that occur and continues to monitor various situations that may cause risks or affect the Company and carefully prepare ways to cope with various volatility. In order



to maintain the best interest of investors and the Company and determines to creating business opportunities to increase consistently profitable.

Sincerely Yours

(Mrs. Busaraporn Prathoomrat)

Deputy Chief Executive Officer