



International Research  
Corporation Public Co., Ltd.

หมายเลขที่ 0107546000024

Ref. IRCP – FA 005/66

August 11, 2023

Subject: Management Discussion and Analysis (MD&A) for the three-month and six-month periods  
ended June 30, 2023

To: The President  
The Stock Exchange of Thailand

International Research Corporation Public Company Limited would like to clarify the operating results of consolidated financial statements for the three-month and six-month periods ended June 30, 2023 as follows:

Operating results for the six-month period ended June 30, 2023 represented net loss attributable to owner of the parent of Baht 11.42 million as compare with the same period last year with net profit attributable to owner of the parent of Baht 23.78 million, a decrease of Baht 35.20 million or 148.01%.

- Total revenues for the first six-month period of 2023 amounted to Baht 428.68 million, a decrease of Baht 352.38 million or 45.12%. The details are as follows:
  - ❖ Revenue from system development service for the first six-month period of this year decreased by Baht 349.43 million or 72.09% from the same period last year due to the recognition of revenue from a large project, which was recognized according to the measurement of the level of work progress. Revenue from sales for the first six-month period of 2023 amounted to Baht 282.44 million, a decrease of Baht 4.74 million or 1.65% from the same period of the previous year. The sales revenue came from the operating results of the subsidiaries in distributing IT products for the organization in which currently the market of the IT products is very highly competitive.
  - ❖ Interest income from leases for the first six-month period of this year reduced by Baht 1.35 million or 33.90% from the same period last year. Such income came from the rental contracts of sorter equipment, computers, and other equipment which decreased in accordance with the contract value that gradually decreased.
  - ❖ Other income for the first six-month period of this year amounted to Baht 8.33 million, an increase of Baht 3.14 million or 60.54% from the same period last year. This was due to the Company received more marketing support.

- Total expenses for the first six-month period of 2023 amounted to Baht 428.06 million, a decrease from the same quarter last year of Baht 307.37 million or 41.79%. The details are as follows:
  - ❖ Cost of system development services, which were the cost of projects for the first six-month period of 2023 amounted to Baht 123.91 million, a decrease of Baht 295.62 million or 70.46% from the same period of the previous year. Such costs vary according to the decline in revenue from system development service for the six-month period of this year.
  - ❖ Most of the cost of sales and distribution costs were the cost of goods for non-project work, a decrease of Baht 5.40 million or 2.25% from the same period last year which was in line to the slightly decline of sales revenue. While the cost of distribution increased by Baht 4.68 million or 18.15% due to the highly competitive IT products in the market and increased costs from exchange rate.
  - ❖ Administrative expenses for the first six-month period of 2023 reduced from the previous year by Baht 11.03 million or 21.82% as a result of the company's cost control.
- Finance costs for the first six-month period of 2023 decreased by Baht 4.10 million or 27.14% from the same period last year due to the reduction of interest expenses and bank fees.
- Income tax expense for the first six-month period of 2023 decreased by Baht 5.73 million or 88.38% due to the reduction of profit before income tax in the amount of Baht 40.90 million or 134.06% from the same period last year.

Operating results for the three-month period ended June 30, 2023 (Q2/2023) represented net loss attributable to owner of the parent of Baht 5.73 million as compare with the same quarter last year with net profit attributable to owner of the parent of Baht 11.36 million, a decrease of Baht 17.10 million or 150.43%.

- Total revenues for Q2/2023 amounted to Baht 219.84 million, a decrease of Baht 241.81 million or 52.38% from the same quarter last year. The details are as follows:
  - ❖ Revenue from system development services in the second quarter of this year reduced by Baht 251.90 million or 78.53% from the same quarter of the previous year. While the revenue from sales for Q2/2023 amounted to Baht 145.90 million, an increase of Baht 8.05 million or 5.84% from the same quarter last year.

- Total expenses for Q2/2023 amounted to Baht 222.79 million, a reduction of Baht 212.41 million or 48.81% from the same quarter last year. The details are as follows:
  - ❖ Cost of system development service for Q2/2023 reduced by Baht 215.18 million or 77% which was in line with the decrease of revenue from system development service. While the cost of sales and distribution increased by Baht 11.14 million or 8.86% in line with the increase of sales revenue. In addition, administrative expenses of Q2/2023 reduced from the same quarter last year in the amount of Baht 8.37 million or 27.83% as a result of the company's cost control.
- Finance costs of Q2/2023 reduced by Baht 9.48 million or 81.50% from the same quarter last year. This was due to the convertible debentures have been fully converted into newly issued shares. Since March 1, 2023, the Company has not issued convertible debentures. Therefore, there will be no expenses related to convertible debentures in the second quarter of this year.
- For the 2nd quarter of 2023, income tax expense decreased by Baht 2.87 million or 86.53% due to the reduction of the profit before income tax in the amount of Baht 19.92 million or 134.46% from the same quarter last year.

### Statements of Financial Position

Unit: Thousand Baht	30 June 2023	31 December 2022
Current assets	748,996	763,078
Non-current assets	259,981	274,495
<b>Total assets</b>	<b>1,008,977</b>	<b>1,037,573</b>
Current liabilities	414,471	459,487
Non-current liabilities	30,238	45,993
<b>Total liabilities</b>	<b>444,709</b>	<b>505,480</b>
Issued and paid-up share capital	311,741	278,850
Premium on ordinary shares	163,663	134,338
Convertible debentures-capital component	-	2,454
Legal reserve	1,726	-
Unappropriated retained earnings	108,673	137,150
Non-controlling interests	(21,535)	(20,699)
<b>Total shareholders' equity</b>	<b>564,268</b>	<b>532,093</b>
<b>Total liabilities and shareholders' equity</b>	<b>1,008,977</b>	<b>1,037,573</b>



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As of June 30, 2023, the Company had cash and cash equivalents of Baht 92.79 million, total assets of Baht 1,008.98 million, total liabilities of Baht 444.71 million, and shareholders' equity of Baht 564.27 million which included unappropriated retained earnings of Baht 108.67 million. Debt to equity ratio was 0.79 times.

Please be informed accordingly.

Yours faithfully,

(Mr. Dan Hetrakul)

Chief Executive Officer