

Business overview

In Quarter 2 of 2023, there was the following significant event for the Company.

The Company has changed the par value by way of a reverse stock split from Baht 0.10 to Baht 1.00. After the reverse stock split, the number of registered shares was changed from 36,972,514,000 shares to 3,697,251,400 shares.

Statement of Income

According to the consolidated financial statements in the second quarter of 2023, the Company had revenue from sales and services of 43.11 million Baht. The revenue generated from domestic operations was an amount of 25.24 million Baht, accounting for 58.53%. The revenue from telecom business in Philippines was 17.88 million Baht, accounting for 41.47%. The business units that had performed outstandingly were domestic hot-dip galvanizing services, telecommunication tower for lease and tower audit in Philippines.

For the government projects in the country, delayed projects have gradually opened up for bidding. The Company has received purchase orders for the projects of high-voltage transmission towers and substations structure of the Electricity Generating Authority of Thailand (EGAT) during the second quarter, combining with an anticipation of receiving additional orders in the third quarter, totaling more than 200 million Baht. Additionally, there are upcoming project auctions scheduled for the rest of 2023 in which the Company expects to be awarded in certain projects. This will enable the Company to deliver and recognize more revenue from government projects from the fourth quarter onwards.

In this quarter, Skytowers Infra Inc., a subsidiary company in the Philippines, had recognized the rental revenue from the leasing of 37 telecommunication towers, resulting in an increase in rental revenue of 210.40%, which allow the Company to enhance its rental income base. Furthermore, QROI Network Services Inc. (QNSI), another subsidiary company in the Philippines, has initially recognized revenue from new services in tower audits and has been developing another business in providing services related to power systems at telecommunication station and other businesses abroad, 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.

In quarter 2 of 2023, the company had a gross loss of 10.59 million Baht resulting from a decrease in operating income and ongoing cost of idle capacity. Nevertheless, the Company plans to augment revenue streams and increase capacity utilization, along with reducing expenses, which is anticipated that the gross profit will likely improve accordingly.

Selling and administrative expenses in the second quarter of 2023 increased by 9.07 million Baht from the same quarter of the previous year. It was due to the higher operating expenses of subsidiaries and included the accounting adjustment made to Right-of-Use (ROU) assets, as the construction of most of telecommunication towers was completed and available for use. Meanwhile the financial costs decreased by 1.89 million Baht. Consequently, in the

second quarter of 2023, the Company experienced a net loss of 46.28 million Baht, in contrast to the same quarter of the previous year which had a net loss of 26.21 million Baht.

Consolidated Income Statement

Operating Results <i>(unit: million Baht)</i>	For 3 months		increase (decrease)	
	Q2.23	Q2.22	million Baht	%
Revenue from electricity and telecom business	23.00	20.24	2.76	13.6%
Revenue from sales of industrial goods	2.24	2.36	-0.12	-5.1%
Revenue from overseas telecom business	17.88	72.57	-54.69	-75.4%
Total revenues from sales and services	43.11	95.17	-52.06	-54.7%
Cost of electricity and telecom business	33.78	25.13	8.64	34.4%
Cost of industrial goods sales	1.34	1.57	-0.23	-14.6%
Cost of overseas telecom business	18.59	63.57	-44.98	-70.8%
Total cost of sales and services	53.71	90.27	-36.56	-40.5%
Gross profit (loss)	-10.59	4.90	-15.49	-316.2%
Selling & administrative expenses	37.72	28.65	9.07	31.7%
Profit (loss) before other incomes and expenses	-48.31	-23.75	-24.56	-103.4%
Other incomes	1.31	2.37	-1.06	-44.7%
Gain (loss) on exchange rate	6.60	-	6.60	n.m.
Other expenses	-	0.16	-0.16	-100.0%
Earnings before interest and tax (EBIT)	-40.41	-21.22	-19.19	-87.6%
Financial cost	2.35	4.24	-1.89	-44.5%
Income tax expenses	3.51	0.44	3.08	703.2%
Net profit (loss) for the period	-46.28	-25.90	-20.38	-76.5%
Net profit (loss) attributable to the parent company	-40.74	-25.81	-14.93	-57.9%

Statement of Financial Position

The Company's financial position as of June 30, 2023, had changed compared to the end of last year as follows.

- **Total assets amounted to 1,205.31 million Baht**, decreasing by 13.85 million Baht or 1.14%.
- **Total liabilities amounted to 213.51 million Baht**, increasing by 61.07 million Baht or 40.06%.
- **Total shareholders' equity amounted to 1,008.09 million Baht**, decreasing by 66.04 million Baht or 6.15%.

According to the aforementioned financial position, the Company had an appropriate capital structure and low financial risk, with **a debt-to-equity ratio (D/E ratio) of only 0.22 times**. Additionally, the Company had sufficient financial liquidity and reserves for investment in accordance with the new business restructuring plan, which resulted in the Company's growth and a stable financial position respectively.

Faithfully Yours,

-- Chalothorn Leelamali –

(Mr. Chalothorn Leelamali)
 Company Secretary