

- TRANSLATION -

August 11, 2023

Subject: Management Discussion and Analysis for the first quarter ended June 30, 2023
To: President
The Stock Exchange of Thailand

Communication & System Solution Public Company Limited ("the Company") and its subsidiaries are pleased to submit herewith the explanation of the operating results for the first quarter ended June 30, 2023

Revenues

The Company and its subsidiaries revenues for the second quarter of Baht 998 million, down from Baht 302 million or representing decrease 23 % as compared to the same quarter in the previous.

Revenue from sales of Baht 885 million decreased from 75 million baht, representing 8% as compared to the same quarter. Revenue from sale decreased from electric cable products, which are the company's main products.

Revenue from installation services of Baht 110 million decreased from 222 million baht, representing 67% as compared to the same quarter. Revenue from installation service decreased from revenue from other installation services.

Gross Profit

For the second quarter, the Company and its subsidiaries registered gross profit of Baht 103 million or representing 10% of revenues from sales and installation services, which decrease from the same quarter in the previous, with 45 million baht, representing 31 %.

Gross profit from sale of Baht 70 million decreased from the same quarter in the previous amount Baht 41 million when compared as a percentage down from 12% to 8 %, decreased from electric cables.

Gross Profit of installation services 33 million baht, decrease of 4 million baht due to decrease from installation service revenue. When comparing the percentage to the total revenue, it was found that the gross margin of installation services increased from 11 % to 30 % ,Because there are extraordinary from cost adjustment and provision installment telecom services project closed.

Selling and Administrative Expenses

Selling and administrative expenses of the Company and its subsidiaries for the second quarter amounted to Baht 104 million, increased of Baht 8 million. Selling expenses amount 21 million baht. Administrative expenses amount 82 million baht increased by 8 million baht from the allowance for doubtful accounts. And the proportion of selling and administrative expenses to total revenue in the second quarter of 2022 amount 10% and if compared to the same quarter of the previous year, increased by 3%.

Share of profit on investment in an associates

In the second quarter, the Company received a share of profit from investments in associates amounting to 11 million baht.

Net profit

As a result of the factors mentioned above, net profit for the second quarter amounted to Baht 9 million, decreased to Baht 29 million or representing 75 % from the same quarter in the previous.

Please be informed accordingly



Yours sincerely,

Panida Sawatwannarat

Chief Financial Officer

Communication & System Solution Public Company Limited