

11 August 2023

Subject: Management's Discussion and Analysis of Operating Results for the three-month period ended  
30 June 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 six-months period ended 31 June 2023 which has been reviewed in the Board of Directors' Meeting No. 5/2023 arranged on 11 August 2023 as following:

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**Statement of Financial Position (Consolidated)**

Unit: Million Baht

Description	As of			
	30/6/2023	31/12/2022	Changes	%
<b>Assets</b>				
<b>Current assets</b>				
Cash and cash equivalents	120.82	126.28	(5.46)	(4.32%)
Loans to debtors	709.24	363.15	346.09	95.30%
Trade accounts and other receivables	140.81	80.97	59.84	73.90%
Contract assets	0.95	4.26	(3.31)	(77.70%)
Inventories	91.73	164.78	(73.05)	(44.33%)
Cost of real estate development projects	47.87	34.24	13.63	39.81%
Foreclosed properties	3.40	5.10	(1.70)	(33.33%)
Other current financial assets	-	430.44	(430.44)	-
Total current assets	26.65	20.85	5.80	27.82%
<b>Total current assets</b>	<b>1,141.47</b>	<b>1,230.07</b>	<b>(88.60)</b>	<b>(7.20%)</b>
<b>Non-current assets</b>				
Deposits at financial institutions pledged as collateral	45.20	66.55	(21.35)	(32.08%)
Investments in associates	42.83	41.78	1.05	2.51%
Loans to debtors	22.98	22.97	0.01	0.01%
Investment property	163.39	91.99	71.40	77.62%
Land, building and equipment	52.56	52.95	(0.39)	(0.74%)
Land awaiting development	62.96	33.59	29.37	87.44%

Description	As of			
	30/6/2023	31/12/2022	Changes	%
License assets	19.98	13.91	6.07	43.64%
Intangible assets	2.06	2.25	(0.19)	(8.44%)
Deferred tax assets	0.96	0.18	0.78	433.33%
Other non-current assets	3.66	2.42	1.24	51.24%
<b>Total non-current assets</b>	<b>416.58</b>	<b>328.59</b>	<b>87.99</b>	<b>26.78%</b>
<b>Total assets</b>	<b>1,558.06</b>	<b>1,558.66</b>	<b>(0.60)</b>	<b>(0.04%)</b>
<b>Liabilities and equity</b>				
<b>Current liabilities</b>				
Bank overdrafts and short-term loan from financial institutions	15.12	20.93	(5.81)	(27.76%)
Trade and other current payables	70.65	69.45	1.20	1.73%
Liabilities arising from current contracts	12.91	5.72	7.19	125.70%
Liabilities under the lease agreement due within one year	6.56	5.21	1.35	25.91%
Short-term loans	30.00	20.00	10.00	50.00%
Provision for warranty	3.75	3.07	(0.68)	(22.15%)
Other current financial liabilities	-	1.35	(1.35)	-
Accrued corporate income Tax	5.36	0.29	5.07	1,748.28%
<b>Other current financial liabilities</b>	<b>144.35</b>	<b>126.02</b>	<b>18.33</b>	<b>14.55%</b>
<b>Non-current liabilities</b>				
Liabilities arising from non-current contracts	2.77	1.53	1.24	81.05%
Lease liabilities	13.89	8.79	5.10	58.02%
Non-current debt estimates for employee benefits	15.54	14.81	0.73	4.93%
Deferred tax liabilities	16.51	16.74	(0.23)	(1.37%)
<b>Total non - current liabilities</b>	<b>48.71</b>	<b>41.87</b>	<b>6.84</b>	<b>16.34%</b>
<b>Total liabilities</b>	<b>193.06</b>	<b>167.89</b>	<b>25.17</b>	<b>14.99%</b>
<b>Share capital</b>	<b>750.00</b>	<b>750.00</b>	<b>-</b>	<b>-</b>
Issued and paid-up share capital	618.07	618.07	-	-
Treasury stock	(22.96)	-	(22.96)	-
Share premium	724.23	724.23	-	-
Surplus on share-based payment transactions	3.06	3.06	-	-
Appropriated to legal reserve	3.40	3.40	-	-
Treasury stock reserve	22.96	-	22.96	-
Unappropriated	15.19	40.52	(25.33)	(62.51%)
<b>Total shareholders' equity of parent company</b>	<b>1,363.95</b>	<b>1,389.28</b>	<b>(25.33)</b>	<b>(1.82%)</b>

Description	As of			
	30/6/2023	31/12/2022	Changes	%
Non-controlling interests	1.05	1.49	(0.44)	(29.53%)
Total shareholders' equity	1,365.00	1,390.77	(25.77)	(1.85%)
Total liabilities and shareholders' equity	1,558.06	1,558.66	(0.60)	(0.04%)

Details of significant changes are as follows

- Loans to debtors increased by 95% due to the Company Expanding the mortgage loan business.
- Trade and other receivables an increase of 74% was caused by credit to customers of evaporative cooling fans, which is during the sales season.
- Inventories decreased by 44% from a large number of products sold out together with effective inventory management
- Other current financial assets decreased by 100% from the withdrawal of short-term deposits to provide credit to debtors and purchase of real estate for development.
- Investment properties 77% increase from accounting classification by moving from loans to debtors and from buying real estate to develop and rental.
- Decreased shareholder equity arising from share repurchase for financial management purposes in the amount of 22.96 million baht

Income Statement Consolidated)

Unit: Million Baht

Description	Jan. – Jun. 2023	Jan. – Jun. 2022	Changes	%
Sales revenue	215.59	254.47	(38.88)	(15.28%)
Service revenue	51.40	83.05	(31.65)	(38.11%)
Interest income	23.89	22.25	1.64	7.37%
Other income	2.43	1.25	1.18	94.40%
<b>Total revenues</b>	<b>293.31</b>	<b>361.02</b>	<b>(67.71)</b>	<b>(18.76%)</b>
Cost of sales	155.39	210.04	(54.65)	(26.02%)
Cost of services	29.13	59.29	(30.16)	(50.87%)
Selling expenses	42.45	31.61	10.84	34.29%
Administrative expenses	35.82	30.10	5.72	19.00%
<b>Total expenses</b>	<b>262.79</b>	<b>331.04</b>	<b>(68.25)</b>	<b>(20.62%)</b>
<b>Profit (loss) from operating activities</b>	<b>30.52</b>	<b>29.98</b>	<b>0.54</b>	<b>1.80%</b>

Description	Jan. – Jun. 2023	Jan. – Jun. 2022	Changes	%
Financial cost	(1.30)	(3.78)	(2.48)	(65.61%)
Impairment loss according to TFRS9	(3.52)	(0.27)	(3.25)	(1,203.70%)
Share of profit (loss) from investment in JV	1.05	1.27	(0.22)	(17.32%)
Profit from buying at a price below fair value	-	0.18	(0.18)	-
<b>Profit (loss) before income tax</b>	<b>26.75</b>	<b>27.38</b>	<b>(0.63)</b>	<b>(2.30%)</b>
Tax expense	(4.40)	(1.18)	(3.22)	(272.88%)
<b>Profit (loss) for the period</b>	<b>22.35</b>	<b>26.20</b>	<b>(3.85)</b>	<b>(14.69%)</b>

Details of significant changes are as follows

1. Sales revenue decreased by 15% from foreign sales, due to the decrease in purchase orders from the main customers in Europe due to the economic situation and the country's lockdown during the Covid 19 situation, therefore unable to find additional new customers
2. Gross margin Increased to 31% compared to the same period of 2022 with a gross profit margin of 20% caused by sales revenue in the country, which has a higher profit margin than foreign sales.

Please be informed accordingly.

Sincerely yours,

-Noppachai Veeraman-

(Mr. Noppachai Veeraman)

Managing Director