

-translate-

MGT FNC 2023/003

8 August 2023

Subject: Management Discussion and Analysis for Operating results of Q2/2023 and six-month period of Year 2023

To: Director and Manager of the Stock Exchange of Thailand
 Megachem (Thailand) Public Company Limited ("The Company") would like to clarify the operating result of Q2/2023 and six-month period ended June 30, 2023 as follows:

Description	Q2 2023	Q2 2022	Var	% Var	Q1 2023	Var	% Var	H1 2023	H1 2022	Var	% Var
Sale of Goods	255.40	284.95	(29.55)	(10.37)	261.27	(5.87)	(2.25)	516.67	567.27	(50.60)	(8.92)
Less Cost of sales	180.46	210.80	(30.34)	(14.39)	183.76	(3.30)	(1.80)	364.22	413.78	(49.56)	(11.98)
Gross Profit	74.94	74.15	0.79	1.07	77.51	(2.57)	(3.32)	152.45	153.49	(1.04)	(0.68)
Gross Profit (%)	29%	26%			30%			30%	27%		
Other income	0.95	3.02	(2.07)	(68.54)	0.76	0.19	25.00	1.71	4.02	(2.31)	(57.46)
Selling & distribution & Administrative expenses	45.23	43.32	1.91	4.41	47.58	(2.35)	(4.94)	92.81	84.24	8.57	10.17
Profit for the Period	23.20	25.86	(2.66)	(10.29)	23.88	(0.68)	(2.85)	47.08	56.24	(9.16)	(16.29)

Sales Revenue

In the second quarter FY2023, sales revenue decreased by 29.55 million baht or 10.37% compared to Q2/2022.

In the six-month period of FY2023, sales revenue decreased by 50.60 million baht or 8.92% compared to six-month period of FY2022.

Gross Profit

Gross profit in Q2/2023 increased by 0.79 million baht, representing 1.07%, and gross profit margin increased from 26% to 29% compared to Q2/2022.

For the six-month period of FY2023, the Company's gross profit decreased by 1.04 million baht, representing 0.68%, but the gross profit margin increased from 27% to 30% compared to six-month period of FY2022.

Selling and Administrative Expenses

For Q2/2023, the Company's selling and distribution expenses and administrative expenses increased by 1.91 million baht or 4.41% compared to Q2/2022 but when compared to Q1/2023, overall expenses decreased by 2.35 million or 4.94%.

For the six-month period of FY2023, the Company's selling and distribution expenses and administrative expenses increased by 8.57 million baht, representing 10.17% compared to six-month period of



FY2022 due to the restructuring of the estimate annual expenses and variable cost according to the increased sales of the affiliated companies

Net Profit

For Q2/2023, the Company's net profit decreased by 2.66 million baht or 10.29% compared to Q2/2022.

For the six-month period of FY2023, the Company's net profit decreased by 9.16 million baht, representing 16.29% compared to the six-month period of FY2022.

According to the Company's performance in Q2/2023 and the 6-month period of 2023. The Company 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



(Vitthaya Inala, Ph.D.)

Chief Executive Officer