



บริษัท เอเอ็มอาร์ เอเชีย จำกัด (มหาชน)

469 ซอยประวิทย์และเพื่อน ถนนประชาชื่น แขวงลาดยาว เขตจตุจักร กรุงเทพมหานคร 10900

โทรศัพท์ 02-589-9955 โทรสาร 02-591-7022 www.amrasia.com

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(-Translation-)

No. AMR.CEO2023019

11 August 2023

Subject Management discussion and analysis for 6-month period ending 30 June 2023

To Managing Director,
Stock Exchange of Thailand

AMR Asia Public Company Limited (“the Company”) would like to submit the company’s reviewed financial statements for 6-month period ending 30 June 2023 (“1H23”) to the Stock Exchange of Thailand.

The Operation result of the company for 1H23 registered a net loss amounted to 149.2 million Baht. Please see further details in the Management Discussion and Analysis of the financial statements for 1H23 as attached.

Yours faithfully,

-Mr. Natthachai Siriko-

(Former name: Mr. Marut Siriko)

(Mr. Natthachai Siriko)

Chief Executive Officer

AMR Asia Public Company Limited



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Management Discussion and Analysis 1H23

Significant Events in 1H23

- **April** – The shareholders' meeting resolved to approve the dividend payment for the year 2022 at 0.05 baht per share.
- **May** – The company invested in U Element Co., Ltd. (UE), amounted of not more than 980,000 shares at 124 baht per share (par value of 100 baht per share) or a value not exceeding 121.52 million baht, proportion not exceeding 49.00% of paid-up registered capital.
- **June** – The company invested in AS MCharge, joint venture company, operating an electric motorcycle rental business with battery swap station.
- The total value of backlog, as of 30 June 2023, is 2,798 million Baht.

Financial Statement Summary in 1H23

Statement of Comprehensive Income

Statements of Comprehensive Income	1H2023		1H2022		Change	
	Separate		Separate		Separate	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue	485.9	100.0%	790.1	100.0%	(304.2)	-38.5%
Revenues from rendering services	469.4	96.6%	762.3	96.5%	(292.9)	-38.4%
Revenues from sales	16.5	3.4%	27.8	3.5%	(11.3)	-40.6%
Cost of sales and rendering services	(517.8)	-106.6%	(622.9)	-78.8%	(105.1)	-16.9%
Gross Profit	(31.9)	-6.6%	167.3	21.2%	(199.1)	-119.1%
Other income	1.3	0.3%	1.1	0.1%	0.2	18.2%
Other gains (losses) - net	2.5	0.5%	0.1	0.0%	2.4	2400.0%
Cost of selling expenses and administrative expenses	(140.2)	-28.9%	(99.0)	-12.5%	41.2	41.6%
Profit before finance costs and income tax expense	(168.3)	-34.6%	69.4	8.8%	(237.7)	-342.6%
Finance costs	(4.8)	-1.0%	(1.7)	-0.2%	3.1	182.4%
Tax Income (expense)	34.4	7.1%	(13.8)	-1.7%	48.2	349.3%
Net profit	(138.7)	-28.5%	53.9	6.8%	(192.6)	-357.5%

During 2022-2023, the Company has invested in subsidiaries and includes the financial statements of such companies in the consolidated financial statements. However, the Company would like to explain only the separate financial statements due to the subsidiaries has no significant revenue and expense during the period. The Company has net loss for 1H23, amounted to 138.7 million Baht as follow:

Revenue

was 485.9 million Baht, a decrease of 304.2 million Baht compared to the same period last year, because in 2022, the Company has delivered the completed large projects, while in



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2022, it is just at the beginning projects circle, resulting in a high amount of backlog value. The Company divides the revenue into 2 types as follows:

Revenues from rendering services

was at 469.4 million Baht, a decrease of 292.2 million Baht compared to the same period last year, because large projects have been delivered in 2022, while new projects are still in the beginning projects circle and will begin to recognize most of the revenue in 2023.

Revenues from sales

was 16.5 million Baht, a decrease of 11.3 million Baht compared to the same period last year, due to the slowdown in the business sector and the decrease demand and sales of IT solutions. For 2023, the Company will focus on generating revenue from new businesses and existing projects.

Cost of sales and rendering services was 517.8 million Baht, a decrease of 112.1 million Baht compared to the same period of last year, as well as the decreased in revenue due to the increasing cost of equipment and materials of large projects resulting in additional costs.

Cost of selling expenses and administrative expenses was 140.2 million Baht, an increase of 41.2 million Baht compared to the same period of last year, due to allowance for doubtful debts, amounted to 23.7 million Baht. This was in accordance with the Company's policy for allowance. In addition, the Company is in the process of preparing manpower for current projects and upcoming projects.

Tax Income was 34.4 million Baht due to the adjustments for unused tax losses.

Statements of Financial Position

Statements of Financial Position	1H2023		2022		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Assets	2,046.1	100.0%	2,188.5	100.0%	(142.4)	-6.5%
Current assets	1,598.1	78.1%	1,801.2	82.3%	(203.1)	-11.3%
Non-current assets	448.0	21.9%	387.3	17.7%	60.7	15.7%
Total liabilities	850.7	41.6%	807.8	36.9%	42.9	5.3%
Interest bearing debt	301.2	14.7%	197.7	9.0%	103.5	52.4%
Non-interest bearing debt	549.5	26.9%	610.1	27.9%	(60.6)	-9.9%
Total equity	1,195.4	58.4%	1,380.7	63.1%	(185.3)	-13.4%

Assets was 2,046.1 million Baht, a decrease of 142.4 million Baht or 6.5% compared to the end of 2022 mainly due to the decrease from cash and cash equivalents by 278.4 million Baht, Financial assets measured at fair through profit or loss by 137.4 million Baht, inventories by 14.4 million Baht while contract assets increased by 142.9 million Baht, Deferred tax assets



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increased by 34.4 million Baht, Investment in joint ventures increased by 28.8 million Baht and trade and other receivables increased by 27.4 million Baht.

Total liabilities

was 850.7 million Baht, an increase of 42.9 million Baht or 5.3% compared to the end of 2022 mainly due to the increased from short-term borrowing from financial institutions by 106.9 million Baht, while provision for project loss decreased by 25.5 million Baht, provisions for project warranty decreased by 18.8 million Baht, Contract liabilities for construction contracts decreased by 9.0 million Baht, lease liabilities decreased by 8.5 million Baht.

Total equity

was 1,195.4 million Baht, a decrease of 185.3 million Baht or 13.4% compared to the end of 2022 from net loss amounted to 138.7 million Baht, dividend payment amounted to 29.5 million Baht and buying back stock amounted to 17.1 million Baht.

Financial Ratio

Financial Ratio	1H23
Net Profit Margin	-28.5%
Current Ratio	2.02
Return on asset	-10.5%
Return on equity	-14.1%
Debt to equity	0.71
Interest bearing debt to equity	0.25

Statements of Cash Flows

Statements of Cash Flows	2Q2023
	Million Baht
Cash Flow From Operating Activities	(411.10)
Cash Flow From Investing Activities	77.30
Cash Flow From Financing Activities	55.40
Net Change in Cash	(278.40)
Cash and cash equivalents at the beginning of the period	367.70
Cash and cash equivalents at the end of the period	89.30



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Business Overview in 2023

2023 Target (Adjusted)

Revenue from core business	● Increase 1-5%
Backlog as of the end of the year	● 2,500 – 3,000 million Baht
CAPEX	● 200 – 300 million Baht
Revenue from New businesses, (MaCharge) (Solar) (BMS) (UE)	● 100 million Baht

To be leader of Engineering System Integration (SI) complete under the green concept along with increasing income steadily

With the Company's vision, "Be a leader in engineering service and system integration (SI) in Transportation, Technology, Renewable Energy, Smart City and Environment in South East Asia in 2035", the Company operates in the business of engineering, design, installation and connection of complete systems as System Integration (SI) with complete IT solutions or One-Stop Service under the green concept. The Company also provides maintenance and repair services for various systems that focus on the country's infrastructure both large buildings industrial plant as well as public transport projects with experience as a large main contractor. AMR is renowned as the trusted partner in modern technological integration among customers in all sectors both local and international.

To expand the income base from 3 business groups for sustainable growth

AI IoT – This business group is an extension of AMR core engineering business with experienced and strong in designing, installing and connecting turnkey systems. The company focuses on being a one-stop technology service provider along with developing the use of AI technology that covers all needs. This business group will respond to the development of smart cities or Smart City, such as design with a virtual model or Digital twin, building management with building management system or BMS, transportation with intelligent transportation system using AI, etc. The company prioritizing digital infrastructure to enhance long-term urban development potential.

Infrastructure & Green Environment - With the potential and expertise in engineering, this business group focuses on operating on the basis of consumer safety and reducing the impact on the environment through products and services. For infrastructure work, the company focuses on the infrastructure that bring technology to increase management efficiency, such as the water pipeline project with a water management system to Industrial Estate in Map Ta Phut district through investment in UE and the electrical cable underground project, etc. In addition, the company provides MaCharge platform, providing electric motorcycles with battery switching stations, and MaCharge EV Charger, all of which can be used through a user-friendly application under ESG principles.

Renewable Energy – The company has stepped into business operations that give importance to the environment which leads to an extension into a new business in the field of renewable energy through the production and distribution of solar energy by promoting the business into a new era while supporting the demand for clean energy in the future



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Focus on investing in businesses with growth opportunities and emphasizing investment efficiency

The Company has planned CAPEX for the year 2023 at 200-300 million Baht, emphasizing appropriate investments along with efficient cost management. The Company emphasizes the importance of investing in the best projects that are consistent with the core business. The Company determines for investment with an internal rate of return or IRR at approximately 10-15%, including targeting business expansion with high growth potential and mergers and acquisitions.

Project progress and important developments

Raw Water Procurement and Distribution Business for Industrial Purposes	<p><u>Raw water pipeline project in Rayong province, a distance of 14 kilometers</u></p> <p>Total Project Progress as of July 2023: 88%</p> <p>COD: the beginning of 4Q2023</p> <p><u>Establishment of a subsidiary</u></p> <p>The Company invested in U Element Co., Ltd., by purchasing ordinary shares in the amount of not more than 980,000 shares at a price of 124 baht per share (par value of 100 baht per share) or 49.00% of the total shares.</p>
Renewable Energy Business	<p><u>Solar power distribution project</u></p> <p>Signing a power purchase agreement (PPA) from solar energy generated by solar roof with Sacred Heart School (Thailand) and its affiliated schools amounted 2 MW, 20-year contract period. It will be completed and start recognizing revenue within this year.</p>
MaCharge Platform	<p><u>Establishment of a subsidiary</u></p> <p>The Company approved the establishment of AS MaCharge Co., Ltd. to provide electric motorcycle rental services, battery swapping stations and repair centers covering in Koh Samui and other places, with investment not exceeding 6 million baht, representing 60% of the total shares.</p> <p><u>July 2023</u></p> <p>AS MaCharge officially started service in Koh Samui. Surat Thani Province There are 40 electric motorcycles with 8 battery swapping stations across the island.</p>
MaCharge EV Charger (AC)	<p><u>MaCharge EV Charger (AC)</u></p> <p>The Company has developed charging stations for electric vehicles (EV Charger: AC). The Company will start operating EV Charger within the third quarter of this year.</p>
Waste Management Business	<p><u>Waste sorting machinery purchase project</u></p> <p>The company signed a project to purchase waste sorting machines worth approximately 125 million baht to Panova Co., Ltd., a business operator in the production and distribution of electricity from renewable energy and solid waste.</p>

Contact us

โทร (66) 2 589 9955 ต่อ 345 | Email ir@amrasia.com