

Management Discussion & Analysis. (MD&A Q3/2023)

Kingsmen C.M.T.I. Public Company Limited.

November 10, 2023.

Subject: Discussion and analysis of operations for the quarter ended September 30, 2023.

Attention: Director and Manager of the Stock Exchange of Thailand.

Kingsmen Company C.TM.T.I. Public Company Limited ("the Company") would like to clarify the operating results for the quarter ended September 30, 2023 which the income and net profit (loss) have changed more than 20% compared to the same period of the previous year. Figures according to the table are as follows.

Unit : Mil Baht

| Consolidated | Q3-23 | | Q3-22 | | #YoY (Q3-23#Q3-22) Inc./Dec. | | 9M-23 | | 9M-22 | | #YoY (1H-23#1H-22) Inc./Dec. | |
|-----------------------|--------|------|--------|------|------------------------------------|-------|--------|-----|--------|-----|------------------------------------|-------|
| | Amt. | % | Amt. | % | Amt. | % | Amt. | % | Amt. | % | Amt. | % |
| Service Income | 129.92 | | 109.38 | | 20.54 | 19% | 450.37 | | 541.48 | | -91.11 | -17% |
| Cost of Service | 108.09 | 83% | 95.98 | 88% | 12.11 | 13% | 381.82 | 85% | 479.76 | 89% | -97.94 | -20% |
| Gross (Loss) Profit | 21.83 | 17% | 13.40 | 12% | 8.43 | 63% | 68.55 | 15% | 61.72 | 11% | 6.83 | 11% |
| Other Income | 0.40 | 0% | 0.32 | 0% | 0.08 | 25% | 0.81 | 0% | 0.92 | 0% | -0.11 | -12% |
| Selling Expenses | 4.94 | 4% | 4.60 | 4% | 0.34 | 7% | 14.38 | 3% | 13.77 | 3% | 0.61 | 4% |
| Admin Expenses | 13.78 | 11% | 22.90 | 21% | -9.12 | -40% | 46.56 | 10% | 61.98 | 11% | -15.42 | -25% |
| Financial Cost | 2.35 | 1.8% | 2.92 | 3% | -0.57 | -20% | 7.54 | 2% | 8.56 | 2% | -1.02 | -12% |
| Net Before tax | 1.16 | 1% | -16.70 | -15% | 17.86 | 107% | 0.88 | 0% | -21.67 | -4% | 22.55 | 104% |
| Tax income/(expenses) | -1.48 | -1% | 1.59 | 1% | -3.07 | -193% | -14.74 | -3% | 3.08 | 1% | -17.82 | -579% |
| Net After Tax | -0.33 | 0% | -15.11 | -14% | 14.79 | 98% | -13.86 | -3% | -18.59 | -3% | 4.73 | 25% |

Service income amounted to 129.92 million Baht, marking a 19% y-y increase. This growth primarily originated from the exhibition and marketing services segment, which demonstrated improved expansion capabilities and effective cost control. However, the interior decoration business faced limitations in handling increased demand due to organizational restructuring constraints.

Service costs totaled 108.09 million Baht, reflecting a 13% y-y increase, aligning with the proportional growth in service volume.

Gross profit reached 21.83 million Baht, surging by 63% y-y, with a significant contribution from exhibition and marketing activities, boosted by increased customer events and government initiatives to stimulate economic activities.

Sales promotion expenses rose to 4.94 million Baht, a 7% y-y increase, attributed to market-driven adjustments, e.g., advertising costs.

Administrative expenses decreased by 9.12 million Baht (-40% y-y), resulting from structural adjustments and workforce optimization.

Financial costs reduced to 2.35 million Baht, a 20% y-y decline, as the company gradually repaid some short-term loans while still relying on working capital from financial institutions.

Summary of operating results according to the consolidated financial statements for the 3rd quarter of 2023, the company reported an operating profit of 1.16 million Baht before tax. After deducting tax expenses of 1.48 million Baht, primarily due to adjustments in deferred tax assets, a net loss of 0.33 million Baht was incurred (belonging to the separate business -0.42 million baht and subsidiaries 0.09 million baht). The subsidiary companies in Myanmar and Cambodia remain to cease operations due to uncertain political and economic conditions. The management has decided to close both subsidiaries, currently in the process of liquidation, subject to the completion of financial settlement in Myanmar and Cambodia.

The strategic focus involves expanding and marketing business, capitalizing on market recovery, and continuous regional growth. In the interior decoration business, the emphasis is on securing retail projects from stable and growth-oriented customers, leveraging the company's expertise in profitable project execution and risk management. Regular monitoring, auditing, and consistent adherence to budget and plans are key elements in delivering high-quality services within specified timelines.

Please be informed accordingly,

Yours sincerely,



(Mr. Chayawat Pisessith)
Chairman of the Board.
Kingsmen C.TM.T.I. Public Company Limited.