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MGT FNC 2023/004

07 November 2023

Subject: Management Discussion and Analysis for Operating results for the third quarter and the 9-month period of 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 for the third quarter and the 9-month period ended September 30, 2023 as follows:

Description	Q3 2023	Q3 2022	Var	% Var	9M 2023	9M 2022	Var	% Var
Sale of Goods	223.64	271.41	(47.77)	(17.60)	740.31	838.68	(98.37)	(11.73)
Less Cost of sales	149.75	205.66	(55.91)	(27.18)	513.97	619.44	(105.47)	(17.03)
Gross Profit	73.88	65.75	8.14	12.37	226.33	219.24	7.10	3.24
Gross Profit (%)	33%	24%			31%	26%		
Other income	1.29	4.63	(3.34)	(72.13)	3.00	8.64	(5.64)	(65.28)
Selling & distribution & Administrative expenses	47.53	44.07	3.46	7.85	140.34	128.32	12.03	9.37
<b>Profit for the Period</b>	<b>20.97</b>	<b>20.69</b>	<b>0.28</b>	<b>1.33</b>	<b>68.05</b>	<b>76.93</b>	<b>(8.88)</b>	<b>(11.54)</b>

#### Sales Revenue

In Q3/2023, the Company's sales revenue decreased by 47.77 million baht or accounted for 17.60% compared to Q3/2022.

For the 9-month period, the Company's sales revenue decreased by 98.37 million baht, or accounted for 11.73% compared to the same period of FY2022.

#### Gross profit

In Q3/2023, the Company's gross profit increased by 8.14 million baht, or accounted for 12.37% and gross profit margin increased from 24% to 33% compared to Q3/2022.

For the 9-month period, the Company's gross profit increased by 7.10 million baht, accounting for 3.24%, and the gross profit margin increased from 26% to 31% compared to the same period of FY2022.

#### Selling, distribution and administrative expenses

In Q3/2023, the Company's selling, distribution and administrative expenses increased by 3.46 million baht, accounted for 7.85% compared to the same period of FY2022.

For the 9-month period of FY2023, the Company's selling, distribution and administrative expenses increased by 12.03 million baht, representing 9.37% compared to the same period of FY2022. Due to the restructuring of estimated annual expenses and variable expenses according to increased sales of affiliated companies. In addition, the Company has expenses for due diligence.



Net Profit

In Q3/2023, the Company's net profit increased by 0.28 million baht or 1.33% compared to the same period of FY2022.

For the 9-month period, the Company's net profit decreased by 8.88 million baht or 11.54% compared to the 9-month period of FY2022.

According to the Company's operating results in the 3rd quarter and the 9-month period for the year 2023, the Company continues to monitor various situations that occur both domestic and overseas closely. In order to prevent risks that may affect the company, along with finding ways and means of prevention in every event that may occur in the future. The Company determines to creating business opportunities to increase consistently profitable to maintain the best interest of investors and the Company.

Sincerely Yours

(Mrs. Busaraporn Prathoomrat)

Deputy Chief Executive Officer