

No. WH/ACC/24/02/LT409

February 23, 2024

Subject: Management discussion and analysis for the year ended December 31, 2023

To Director and Manager

The Stock Exchange of Thailand

WIİK Public Company Limited (“the Company”) has submitted its audited financial statements. The Company would like to discuss and analyze the operating results for the year ended December 31, 2023, including significant changes during the year 2023 of the Company and its subsidiaries as follows;

Significant changes during the year

WIİK Public Company Limited (WIİK)	<ul style="list-style-type: none"> ● Principally engaged in the manufacture and distribution of high- density polyethylene (HDPE) pipe and related certain fittings, low density polyethylene (LDPE) pipe, polypropylene (PP) pipe, polybutylene (PB) pipe, Weholite Spiro pipe, and distribution of polyvinylchloride (PVC) and polypropylene (PP-R) products. ● On 28 April 2023, the Annual General Meeting of the Company’s Shareholders approved the allocation of profits from operating result for the year 2022 to a statutory reserve of Baht 3,763,096.37, which was recorded in the financial statements for the year 2022. In addition, the meeting approved the dividend payment of Baht 0.06 per share, representing a total dividend of Baht 50,260,983.72, which was made to the shareholders on 26 May 2023.
Wiik Water Company Limited (WW)	<ul style="list-style-type: none"> ● Principally engaged water management, water distribution and water supply systems, design and construction of water supply systems, and operating water supply systems. ● A subsidiary of the company. Holding shares in a proportion of 94.16% paid up capital.
WIİK PT Company Limited (WPT)	<ul style="list-style-type: none"> ● Principally engaged in the water treatment business under the contract with Patong Municipality, Kathu District, Phuket Province.

	<ul style="list-style-type: none"> ● A subsidiary of WW. Holding shares in a proportion of 94.16% paid up capital.
Southern Consultant and Construction Co.,Ltd. (SC&C)	<ul style="list-style-type: none"> ● Principally engaged tap water production and supply to hotels, accommodations, and households in some areas in Phuket. On 18 May 2021, the company got a contract from Kamala Subdistrict Administration Organization to operate a water business operation in its area. And on 31 March 2023, the company engaged a 30-year contract with a private water company to purchase tap water from it and sell the water in Kamala Subdistrict of Kathu District and Cherng-talay Subdistrict of Thalang District, Phuket Province in near future. <p>SC&C will start selling water within a quarter 1/2024</p> <ul style="list-style-type: none"> ● A subsidiary of WW. Holding shares in proportion 48.02% paid up capital.

Analysis of the operating results of WIİK and Subsidiaries for the year ended December 31, 2023 as follows:

Summarized of the Statement of income

Unit : million Baht	Year 2023	Year 2022	Changed (%)
Income from pipe sale and installation	1,021.68	1,255.60	(18.63)
Incomes from the water management business	293.54	252.73	16.15
Other income	22.74	22.87	(0.57)
Total revenues	1,337.96	1,531.20	(12.62)
Cost from sale pipe and installation	913.91	1,075.19	(15.00)
Cost from the water management business	198.83	176.91	12.39
Selling and distribution expenses	50.44	50.43	0.02
Administrative expenses	109.05	107.05	1.87
Finance cost	10.04	9.07	10.69
Profit before income tax expenses	55.69	112.55	(50.52)
Income tax expenses	(6.28)	(16.76)	(62.53)
Profit for the year	49.41	95.78	(48.41)
Profit attributable to:			
Equity holders of the Company	49.17	95.15	
Non-controlling interests of the subsidiary	0.24	0.63	
	49.41	95.78	

The operating results for the year 2023 of the Company and its subsidiaries has changed less than 20%. In 2023 the net profit was Baht 49.41 million compared to Baht 95.78 million in the year 2022. The decreased of Baht 46.37 million or 48.41% are from the following reasons;

1. In the year 2023, the company and its subsidiaries had gross profit from selling and service by Baht 202.48 million, compared to Baht 256.23 million in the year 2022, the decreased of Baht 53.75 million or 20.98% was from the following reasons;

1.1. The sale and installation business.

1.1.1. Income from sale of PE pipe decreased 11.77%, which was a result of the economic situation and delay of a government budget. While cost from sale of PE pipe decreased only 9.55% compared to the year 2022, due to decrease of production efficiency from less production, resulting in decreasing of gross profit by Baht 28.63 million.

1.1.2. Income from sales of PVC and PPR pipes decreased 26.46% compared to the year 2022, due to the economic situation, resulting in decreasing of gross profit by Baht 5.43 million.

1.1.3. Income from installation decreased 39.06% compared to the year 2022, due to the economic situation and delay of a government budget, resulting in decreasing of gross profit by Baht 38.58 million.

1.2. The water management business.

1.2.1. Income from sales of water increased 16.49% compared to the year 2022, resulting in increasing of gross profit by Baht 20.99 million.

1.2.2. Income from turnkey installation services increased 15.53% and cost of turnkey installation services increased 21.87% compared to the year 2022, resulting in decreasing of gross profit by Baht 2.10 million.

2. Other income in the year 2023 decreased from the year 2022 by Baht 0.13 million. The Major decreasing came from gain on other investments designated at fair value by Baht 7.37 million, and increasing from the adjustment of retention. One of our subcontractors breached the contract and consented to pay us compensation by deducting from the retention by Baht 5.32 million. The company got compensation fee from a customer for cancelling of its purchase orders in the amount of Baht 3.50 million. And other decrease was Baht 1.32 million.

3. Administrative expenses in the year 2023 increased from the year 2022 in the amount of Baht 2.00 million or 1.87%, The major came from employee benefit expenses by Baht 1.92 million and other expenses by Baht 0.08 million from normal operation.

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WIIK PUBLIC COMPANY LIMITED

4. Financial cost in the year 2023 increased from the year 2022 by Baht 0.97 million or 10.69%. This came from the increase of interest rates from financial institutions charged to subsidiaries, The bank interest rate increased in accordance with the policy rate of the Bank of Thailand.

5. Tax expenses in the year 2023 decreased from the year 2022 by Baht 10.48 million, from decrease of profit.

6. Other comprehensive income for the period in the year 2023 increased from the year 2022 by Baht 19.94 million, This came from increase of surplus on revaluation – Land by Baht 24.93 million, and net from deferred tax expenses by Baht 4.99 million.

Yours Truly,

Mr. Wiboon Sangwithayanon
Chief Executive Officer