



February 21, 2024

Re: Management Discussion and Analysis for the Year 2023
To: Director and Manager of the Stock Exchange of Thailand

Revenue from Sale of Goods and Rendering of Services

The company reported revenue from sale of goods and rendering of services of 2,747 million Baht, a decrease of 473 million Baht or 15% from previous year. This decline is mainly attributed to the manufacturing and marketing of products to the US market by one of the company's subsidiaries through a strategic partner dropping by 519 million Baht, and the replacement market was not successfully established this year. However, the mother company's revenue from sales of goods and rendering of services still increased by 154 million Baht or 6% (This amount was not included a few projects totaling 160 million Baht, the delivery of which have been postponed and the revenue have to be realized in the upcoming year).

Profit for The Year

The company reported a net loss of 24.1 million Baht, in contrast to the previous year's net profit of 31.4 million Baht. The decrease of 55.5 million Baht was primarily attributed to the operating loss of a subsidiary that was impacted by the manufacturing and marketing of products to the US market through a strategic partner, despite the net profit of 11.3 million Baht generated by the mother company. The decrease of 55.5 million Baht was a result of:

- Gross Profit and Other Income decreased by 26.2 million Baht (Despite the Gross Profit and Other Income of the mother company increasing by 73.6 million Baht), due principally to the manufacturing and marketing of products to the US market by one of the company's subsidiaries through a strategic partner dropping significantly and the replacement market was not successfully established this year, resulting in a considerable amount of the wasted overhead and labor costs.
- Marketing and Administrative Expenses including Interest Expense increased by 29.6 million Baht (Despite the Marketing and Administrative Expenses including Interest Expense of the subsidiary decreasing by 41.2 million Baht). This was due to higher expenses associated with the company's program to improve production process and to develop efficient supply chain to reduce the raw materials and production costs so that the company's products can compete in both the domestic and overseas markets, including the US market. It was also a result of the annual salary adjustments and higher interest expenses due to the increase of average interest rate from 2.78% in 2022 to 4.10% in 2023.
- Corporate Income Tax decreased by 0.3 million Baht.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Napaporn V.', with a stylized flourish at the end.

Mrs. Napaporn Vimomanupong
Managing Director