



EC 005/2024

23 February 2024

Subject : Management Discussion and Analysis Yearly Ending 31 December 2023

To : Managing Director

The Stock Exchange of Thailand

According to the Financial information of Star Sitthi Solution Public Company Limited (“the Company”) and its subsidiaries for the year ended 31 December 2023, which have been audited by the auditor. The company reported a net loss of Baht 14.69 million compared to last year, which the Company reported a net loss of Baht 132.12 million, changed by 117.43 million which is 88.88% The Company would like to clarify the significant change in the performance summarized as follows;

**Performance for the year ended 31 December 2023**

1. In 2023, the Company has revenue from sale and service amount of Baht 1.69 million and cost of goods sold and service amount of Baht 0.94 million comprise of;
  - The Company provides consulting service for researching power plant projects, piped water production projects and carbon footprint projects which generated income for amount of Baht 1 million in 2023
  - During the 4<sup>th</sup> quarter of 2023, the Company began to earn revenue from rent of trailer trucks which generated revenue for amount of Baht 0.33 million
  - A subsidiary has revenue from business in IT solution for amount of Baht 0.32 million in 2023. The subsidiary has entered into an agreement with a company to provide services to government and private companies. The services included of IT consulting, AI chatbot, HR management and services related to IT. The subsidiary has started to earn income from this business in December 2021.
2. Other income decreased by Baht 1.03 million, or 52.29% comparing with the prior year. The reason is from decreasing in interest income, since the Company has proceeds from short-term loan to other parties in 2022 for amount of Baht 62.50 million.
3. Administrative and general expenses decreased by Baht 7.19 million or 27.41% comparing with the prior year. The mainly reasons are from decreasing in financial advisory service fee amount of Baht 2.21 million, decreasing in legal advisory service fee amount of Baht 2.33 million and other administrative expenses amount of Baht 2.26 million.

4. In 2023, There is decreasing in revenue from reversal of allowance for expected credit losses for amount of Baht 27.58 million from receiving the repayment from short-term loan to other parties in 2022 for amount of Baht 62.50 million. On 31 December 2022, the Company has no balance in short-term loan from other parties. A subsidiary recognized gain from reversal of allowance for impairment of advance payment for merchandise for total amount of Baht 5.35 million since the subsidiary received the repayment of this advance payment.
5. Loss from impairment of investments in associated companies decreased by Baht 104.32 million Baht since in 2022 the company had recognized a loss from impairment of investment in an associated company in the amount of Baht 104.32 million, later in 2023 the company sold the entire amount of investment in the associated company.
6. On June 16<sup>th</sup>, 2022, the Company sold the entire investment in an associated company in Australia. This resulted in a loss on disposal of investment in an associated company for amount of Baht 24.64 million and a loss from write-off the debt from the associate for amount of Baht 7.02 million.
7. Finance costs decreased by Baht 0.14 million or 72.90% comparing to the prior year. The reason is from decreasing in interest expense since the Company has repayment loan from other party in 2022 for amount of Baht 19.00 million. The Company has paid all of short-term loan from other party in Q1 2022.

Please be informed accordingly.

Sincerely Yours,

*Thanakit Achariyasombat*

(Mr. Thanakit Achariyasombat)

Authorized to sign on behalf of the Company