

27 February 2023

Subject: Management's Discussion and Analysis (MD&A)
Consolidated Financial Results: Year 2023

Attention: Managing Director
The Stock Exchange of Thailand

Executive Summary

In the year 2023, there are highlights as follows:

Establish new subsidiary “Planet Systems”

The Board of Directors No.1/2023 on the 24 February 2023 passed the resolution of approving the Company to establish a new subsidiary, Planet Systems Company Limited “Planet Systems” to manufacture, buy, sell, export, consult, design, develop, and maintain all kinds of technologies, telecommunications, communications, and information technologies. The objective of Planet Systems is to increase the competitiveness and efficiency of the Company in technologies, telecommunications, communications, and information technologies market.

Planet Systems has 5MB registered capital with total ordinary shares of 500 thousand shares at par value 10 Baht per share. The company paid the registered capital 25%, 1.25 MB, on the 21 April 2023.

Increasing capital in Subsidiary, “Planet EV”

On the 1 March 2023, the Board of Directors No.2/2023 passed the resolution of approving Planet EV Company Limited (“Planet EV”), to increase the capital from 5 MB to 10 MB with total ordinary shares of 1,000 thousand shares at par value 10 Baht per share. This is to increase liquidity for the company and support the future business opportunities. The company paid the increased capital 100% on the 21 April 2023.

Business expansion into Cloud Services and Data Center

Due to the Company's intention to expand the business into cloud services and data center, which anticipate to strengthen the company value. To pursue such business opportunity, the Board of Directors No.2/2023 passed the resolution of approving the Company to proceed the Entire Business Transfer Transaction from EEC GC Holdings Company Limited (“EEC GC Holdings”). EEC GC Holdings held 99.99% of shares in EEC Global Cloud Company Limited (“EEC Global”) which provides Cloud and Data Center services including computer server depository services. (Co-Location), Virtual Private Server, Managed Service, Customer Backup Service (Server), and Disaster Recovery Services (DRS). The business on Cloud and data center service would enhance supporting scope of the company's digital services (Digital) to be more extensive, and crucially drive for generating revenue growth and better return for the company and shareholders.

Operating Results

Operating results of the Company & its subsidiaries (Unit : Baht)	2023	2022	Change +/-
			YoY
Operating revenue	544,022,887	611,679,635	-11.06%
Cost of sales	(434,007,854)	(469,511,592)	-7.56%
Gross profit	110,015,033	142,168,043	-22.62%
Selling and administrative expenses	(148,629,640)	(121,901,599)	21.93%
Other income	9,216,905	5,809,820	58.64%
EBITDA	(29,397,702)	26,076,264	-213%
Expected credit loss	(128,031,206)	(25,367,619)	404.70%
Depreciation and amortization	(25,869,534)	(22,067,945)	17.23%
EBIT	(183,298,442)	(21,359,300)	758.17%
Finance cost	(21,987,601)	(7,510,451)	192.76%
Income tax expenses	(160,388)	1,813,264	-108.85%
Share of loss of associate accounted for using equity method	(2,945,233)	-	-100.00%
Share of profit (loss) of joint venture accounted for using equity method	1,381,365	(187,270)	-837.63%
Net profit	(207,010,299)	(27,243,757)	659.84%
Net profit for the Company	(89,538,116)	(8,497,330)	953.72%
Gross profit margin (%)	20.22%	23.24%	-3.02%
Net profit margin (%)	-37.42%	-4.41%	-33.01%

Revenue

Revenue from sales and services in the year 2023 was 544.02 MB, a decrease 67.66 MB, 11.06% from last year. The operational revenue in 2022 was 611.68 MB. The decrease in revenue was due to the reduce in digital broadcasting projects. However, in the year 2023, there's a surge in the revenue from the Company's new s-curve businesses, for example, solar business, and electric vehicles business.

Cost of Sales and Services

In the year 2023, cost of sales and services of the Company was 434.01 MB or 79.78% of operating revenue. It decreased from the year 2022 which was 469.51 MB or 76.76% of operating revenue. The cost of sales and services increased from the expansion in the cloud services provider and data center business which is in the early stage of the business.

Selling and Administrative Expenses

From a focus on organizing sales and marketing activities in 2023, the selling expenses for the year 2023 equaled to 42.42 MB. It slightly increased from last year which was 39.93 MB. It was 7.67% and 6.47% of total revenue respectively.

Also, the administrative expenses not included depreciation for the year 2023 equaled to 106.21 MB. It increased from the year 2022 which was 82.20 MB. This was mainly due to more subsidiaries' establishments to support the Company vision and long-termed strategies in entering the new potential business market.

As the Company thoroughly considered various factors in the forecasts during risks and uncertainties in account receivable's repayment, the expected credit losses amounted 128.03 mb was booked. This was to appropriately reflect the credit risk in the Year 2023. However, the Company has filed both civil and criminal cases against those large debtors, along with following up on the payment of debts from all debtors.

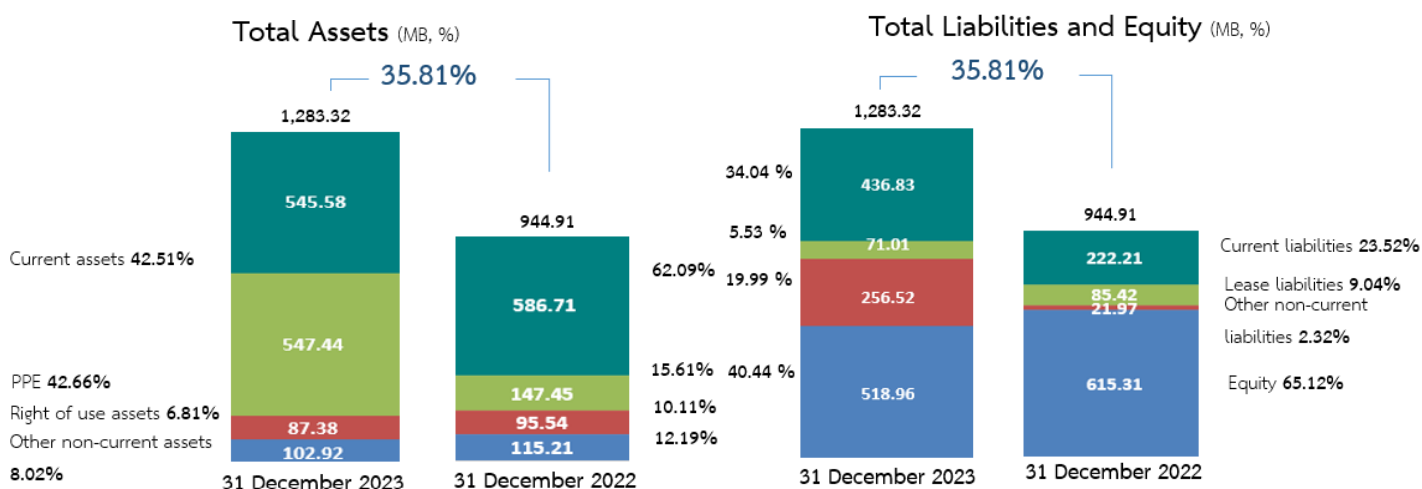
Financial Costs

The financial cost in the Year 2023 was 21.99 MB or 3.97% of total revenue compared to the Year 2022 which was 7.51 MB or 1.22% of total revenue. This was due to the increase in financial expenses from the Data Center business in the amount of 11.02 MB.

Operating Results

Since the subsidiaries and the company's new businesses, according to our long-termed strategies, are in the early stage which require the investment, the aforementioned expected credit loss, and the delay in revenue recognitions of some project, the Company incurred a net loss 207.01 MB in the Year 2023 compared to the Year 2022 which there's 27.24 MB net loss.

Financial Position



Assets

As of 31 December 2023, the total assets were 1283.32 MB, increased 338.41 MB or 35.81% compared to the end of 2022 equaled to 944.91 MB. This was mainly from the acquisition and acceptance of assets of the entire business transfer transaction from EEC Global Cloud Company Limited.

Liabilities

The total liabilities as of 31 December 2023 were 764.36 MB, increased 434.76 MB or 131.91% compared to the end of 2022 which equaled to 329.60. It was also mainly due to the acquisition and acceptance of assets of the entire business transfer transaction from EEC Global Cloud Company Limited.

Shareholders' equity

As of 31 December 2023, the shareholders' equity was 518.96 MB, decreased 96.35 MB, 15.66% from the end of 2022 which equaled to 615.31 MB.

Financial Ratio

The important ratios are presented below:

Ratio	As of 31 December 2023	As of 31 December 2022
Liquidity Ratio (Times)	1.25	2.64
Debt to Equity Ratio (Times)	1.47	0.54
Return on Equity (%)	-39.89	-4.43

The Company's Strategies in the Year 2024

2023 has been a challenging year but also a great opportunity for the Company to grow and expand to the new business sector which may result in the sustainable growth in revenue and profit in the future. The company recognizes the importance of offering high quality technology and services. Including building a team of professionals who can provide efficient pre- and post-sales services. The company has the ambition in strengthening its competitive advantage and developing strategies to differentiate from competitors as follows:

- Continuously recruiting new products with high efficiency and the latest technology:** This is to build competitiveness and to be a leader in the telecommunications and digital TV market in ASEAN. The company emphasizes to present technological innovations, new products, and services to meet the needs of customers. The company also has a policy in selecting new products with high efficiency and the latest technology from both the world's leading telecommunications equipment manufacturers in which the company already has had a distributorship and new manufacturers with the latest technology. This made the company to differentiate ourselves from the competitors and to be able to fulfill the customer needs.
- Providing complete solutions to the customers:** The company has a team of research, development, and engineers with expertise in installing and integrating systems to customize complete solutions to meet customer needs. This makes the solutions offered to customers unique and meet the needs of customers very well.

In addition, new service formats have been developed continuously to respond to the rapid changes in customer needs, such as providing mobile satellite communication systems, providing on-demand teleconferencing systems and etc..

- Price Competition with Lower Cost:** The company has been appointed as a distributor of products and services from world-class manufacturers such as Cisco, Zoom, Poly, and L3Harris. Besides, the company and employees have also received various awards and certificates from the aforementioned manufacturers in both technical and sales aspect.
- Professional Services:** The company has a goal to conduct business and provide professional services to customers. The company has therefore operated and organized work systems under ISO 9001 standards since 2001, in order to, guarantee the quality of the company's work and services.

- **Retain the Existing Customers and Acquiring New Customers:** With the readiness of high-quality products and the latest technology and engineers with design knowledge and expertise. The company is therefore trusted by leading manufacturers in that we can provide great services to customers. These can help the Company to retain the existing customers and also acquire new customers in the future.

Yours Sincerely,

(Mr. Prapat Rathlertkarn)
Chief Executive Officer