

Management Discussion & Analysis : MD&A YE/2024

Kingsmen C.M.T.I. Public Company Limited.

February 23, 2024.

Subject: Discussion and analysis of operations for the quarter ended December 31, 2023.

Attention: Director and Manager of the Stock Exchange of Thailand.

Kingsmen Company C.M.T.I. Public Company Limited ("the Company") would like to clarify the operating results for the quarter ended December 31, 2023 which the income and net profit (loss) have changed more than 20% compared to the same period of the previous year. Figures according to the table are as follows.

Unit : Mil Baht

Consolidated	H1-23		9Ms-23		Q4-23		Y2023		H1-22		9M-22		Q4-22		Y2022		#YoY (Q4-23#Q4-22) Inc./Dec.		#YoY (12Ms-23#12Ms-22)	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Service Income	320.46		450.37		274.85		725.22		432.09		541.48		306.39		847.87		-31.34	-10%	-122.65	-14%
Cost of Service	273.74	85%	381.82	85%	215.02	78%	596.84	82%	383.78	89%	479.76	89%	252.45	82%	732.21	86%	-37.43	-15%	-135.37	-18%
Gross (Loss) Profit	46.72	15%	68.55	15%	59.83	22%	128.38	18%	48.31	11%	61.72	11%	53.94	18%	115.66	14%	5.89	11%	12.72	11%
Other Income	0.41	0%	0.81	0%	0.66	0%	1.47	0%	0.60	0%	0.92	0%	0.63	0%	1.55	0%	0.03	5%	-0.08	-5%
Selling Expenses	9.44	3%	14.38	3%	4.61	2%	18.99	3%	9.17	2%	13.77	3%	4.94	2%	18.71	2%	-0.33	-7%	0.28	1%
Admin Expenses	34.45	11%	46.56	10%	24.97	9%	71.53	10%	39.08	9%	61.98	11%	26.11	9%	88.09	10%	-1.14	-4%	-16.56	-19%
Financial Cost	5.19	2%	7.54	2%	2.43	1%	9.97	1%	5.64	1%	8.56	2%	3.03	1%	11.59	1%	-0.60	-20%	-1.62	-14%
Net Before tax	-1.95	-1%	0.88	0%	28.48	10%	29.36	4%	-4.98	-1%	-21.67	-4%	20.49	7%	-1.18	0%	7.99	39%	30.54	2588%
Tax income/(expenses)	-12.91	-4%	-14.74	-3%	-0.69	0%	-15.43	-2%	1.49	0%	3.08	1%	0.06	0%	3.14	0%	-0.75	-1200%	-18.57	-592%
Net After Tax	-14.86	-5%	-13.86	-3%	27.79	10%	13.93	2%	-3.49	-1%	-18.59	-3%	20.55	7%	1.96	0%	7.24	35%	11.98	612%

The Company generated service income of 725.22 million baht, marking a -14% y-y decline. This decline is attributed to the ongoing challenges in the exhibition, event, and marketing promotion businesses, which have not fully recovered due to the lingering effects of political uncertainties. Consequently, economic growth has been sluggish, prompting continued decisions to reduce investment and scale down various events.

The interior decoration business still receives a moderate amount of orders, limited by the constrained workforce resulting from organizational restructuring.

The cost of service decreased to 596.84 million baht, down by -18% y-y, aligning with the reduced workload and improved cost control measures.

The gross (loss) profit of 128.38 million baht increased by +11% y-y, primarily driven by profits from exhibitions and marketing activities. The Company maintained stringent cost control standards.

Selling Expenses rose to 18.99 million baht, added +0.28 million baht, representing a +1% y-y increase. This rise was due to adjustments in market prices for various media and promotional venues.

Admin expenses amounted to 71.53 million baht, down by -16.56 million baht as -6% y-y, reflecting the impact of organizational restructuring and staff alignment with reduced workloads.

Financial costs decreased to 9.97 million baht, down by -14% y-y. The Company has been gradually repaying short-term borrowings, resulting in reduced interest and fees.

Summing up the overall financial performance for the year, there was a remarkable +612% y-y increase in profit. The net profit for the year 2023 totaled 13.93 million baht. (This included 13.92 million baht from core operations and 0.21 million baht from the reversal of previously impaired financial assets.) Subsidiaries in Myanmar and Cambodia remain inactive due to uncertain political and economic conditions. (The decision has been made to close these subsidiaries, with Myanmar expected to receive approval for closure in March 2024, while Cambodia is still under review.)

The Company's strategic adjustments and restructuring efforts have demonstrated positive results, with a net profit of 27.79 million baht in the fourth quarter (Q4). The full-year financial performance has rebounded, achieving a net profit of 13.93 million baht. This signals a promising outlook for the Company's ability to generate increased profits in the future.

The strategic focus on expanding the exhibition and marketing activities aligns with the growing market demand, especially in the luxury brand segment. The Company plans to further expand its design-related business, targeting retail projects of various sizes to sustain continuous growth. Emphasis will be placed on projects where the Company's expertise can deliver good profit margins while maintaining clear risk management. The Company's management is confident that the strategic adjustments will contribute to sustained profitability. Continuous monitoring, regular audits, and comparisons with pre-operational budget targets will be maintained to ensure the timely delivery of quality projects. We appreciate your attention and understanding.

Please be informed accordingly,

Your sincerely,



(Mr. Chayawat Pisessith)

Chairman of the Board.

Kingmen C.M.T.I. Public Company Limited.