

No. FTI-SET-2567/003

Feb 27, 2024

Re: Management Discussion and Analysis for the Year 2023

To: The President
 The Stock Exchange of Thailand

Function International Public Company Limited (the Company) would like to clarify the operating results for the year 2023 which was reviewed by a certified public accountant (CPA) as follows:

The operating results for the year 2023, the Company has total revenue Baht 778.68 million, increased by Baht 81.92 million or 12 percent and Profit owners of the parent for the period Baht 44.11 million, increased Baht 8.08 million or 22 percent, mainly are from as follows:

Operating Results	Year 2023		Year 2022		Movement	
	Amount	%	Amount	%	Amount	%
Revenues from sales and services	778.68	100.00%	696.76	100.00%	81.92	12%
Cost of sales and services	564.07	72.44%	501.21	71.93%	62.86	13%
Gross profit	214.61	27.56%	195.55	28.07%	19.06	10%
Other revenues	6.98	0.90%	3.31	0.48%	3.67	111%
Distribution cost	76.43	9.82%	67.21	9.65%	9.22	14%
Administrative expenses	86.17	11.07%	87.38	12.54%	(1.21)	-1%
Financial cost - Interest	4.37	0.56%	2.36	0.34%	2.01	85%
Profit before income tax expenses	54.62	7.01%	41.91	6.01%	12.71	30%
Income tax expenses	10.90	1.40%	5.88	0.84%	5.02	85%
Profit for the Period	43.72	5.56%	36.03	5.15%	7.69	21%
Profit owners of the parent	44.11	5.61%	36.03	5.15%	8.08	22%

Revenues from sales and services

In the year 2023, the Company has revenues from sales and services Baht 778.68 million, increased from the same period of the previous year Baht 81.92 million or 12 percent from the expansion of Aquatek distributors (9 branches in 2023 from the 3 branches in 2022) and the expansion of wholesale agents for general stores. and introducing new products Entering the market more and more.

Cost of sales and services

In the year 2023, the Company has cost of sales and services Baht 564.07 million, increased from the same period of the previous year Baht 62.86 million, in line with the increase in revenues.

Gross Profit

In the year 2023, the Company has gross profit Baht 214.61 million, increased from the same period of the previous year Baht 19.06 million, in line with the increase in revenues.

Distribution cost

The Company has distribution cost Baht 76.43 million increased from the same period of the previous year Baht 9.22 million or 14 percent because of the increase was mainly from travel expenses to meet customers, commissions expenses and depreciation of new showroom building.

Administrative expenses

In the year 2023, the Company has administrative expenses Baht 86.17 million decreased from the same period of the previous year Baht 1.21 million or 1 percent because of the employee expense.

Profit

In the year 2023, the Company has profit for the period at Baht 44.11 million increased Baht 8.08 million or 22 percent.

Financial position

Total assets

In the end of 2023, the Company has total assets Baht 1,065.52 million, increased Baht 194.55 million or 22.34 percent from the end of pervious year at percent, mainly from the increased, Inventories increased Baht 146 million, increased the property, plant, and equipment Baht 197 million. and decreased from the cash on hand 150 million

Total liabilities

In the end of 2023, the Company has total liabilities Baht 349.36 million, increased from the end of previous year at Baht 188.04 million mainly from increased loans from financial institutions 165 million and Trade and other current payables 15 million

Shareholder's equity

In the end of 2023, the Company has shareholder's equity Baht 716.15 million, increased from the end of previous year at Baht 6.51 million or 0.92 percent, mainly from the profit from operation and decreased from dividend payment

Please be informed accordingly.

Yours sincerely,

(Mr. Kaweewat Siriwongmongkol)

Chief Financial Officer