



May 8, 2024

Re : Management Discussion and Analysis Quarter 1 Ending 31 March 2024

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 554 million Baht, a decrease of 104 million Baht or 16% from previous year. This decline is mainly attributed to the delayed delivery of a few projects, such as One Bangkok, Forestias, and the renovation of various superstores. The revenue from these projects is expected to be realized as follows : 32 million Baht in Q2, 77 million Baht in Q3 and 155 million Baht after Q3. The delay in the approval of the 2024 government budgets has caused the pending procurements of all government departments, impacting the company's revenue. Additionally, the decline in manufacturing and selling products to the US market by one of the country's subsidiaries through a strategic partner has also affected the company's revenue.

Profit for The Quarter

The company reported a net loss of 13.4 million Baht compared with the previous year's net loss of 1.6 million Baht, representing an increase of 11.8 million Baht. This increase can be attributed to the following factors :

- Gross Profit and Other Income decreased by 4.6 million Baht or decreased by 2%, despite revenue declining by 16% due to the improved gross profit margins. The margins increased from 31.3% in 2023 to 35.5% in 2024, as the company successfully developed its production process to reduce production costs. Additionally, the company sold a higher proportion of high-margin products during this quarter.
- Marketing and Administrative Expenses including Interest Expense increased by 4.3 million Baht or increased by 2%, despite the reduction in transportation expenses due to adverse sales. This was due mainly to the increase in expenses associated with the market expansion and sales promotion efforts for the newly developed products, as well as the development of more efficient supply chains. The Interest expense of this quarter increased by 3.3 million Baht, resulting from an increase in interest rates from 3.41% in 2023 to 4.59% in 2024.
- Corporate Income Tax increased by 2.9 million Baht.

The reported net loss of 1.6 million Baht from the previous year included a one-time compensation income of 28.2 million Baht from a strategic partner. Without this one-time income, the normal operating performance would have recorded a net loss of 29.8 million Baht. Comparing this amount to the current quarter's performance of a 13.4 million Baht net loss, the operating performance has improved by 16.4 million Baht, or improved by 55%.

Yours sincerely,

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

Mrs. Napaporn Vimananupong
Managing Director