

6 November 2024

Subject Management Discussion and Analysis for the 9-month period ended on 30 September 2024

To Director and Manager

Stock Exchange of Thailand

Window Asia Public Company Limited (“the Company”) Board of Directors Meeting No.4/2024 held on 6 November 2024 passed a resolution to certify the financial statement and the performance for 9-month period ended 30 September 2024 which was reviewed by the auditor.

The Company's would like to clarify the operating results for the 9-month period ended 30 September 2024 as follows:

**Performance analysis**

Revenue type	3-month 2023		3-month 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue from sales</b>						
- Modern Trade	166.42	77.40	108.16	72.21	(58.26)	(35.01)
- Traditional Trade	18.46	8.59	20.10	13.42	1.64	8.88
- Window Asia Shops	15.72	7.31	11.07	7.39	(4.65)	(29.58)
- Other	10.80	5.02	7.53	5.03	(3.27)	(30.28)
<b>Other Income</b>	3.60	1.67	2.92	1.95	(0.68)	(18.89)
<b>Total Revenue</b>	<b>215.00</b>	<b>100.00</b>	<b>149.78</b>	<b>100.00</b>	<b>(65.22)</b>	<b>(30.33)</b>



Revenue type	9-month 2023		9-month 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
<b>Revenue from sales</b>						
- Modern Trade	560.81	75.59	452.89	73.75	(107.92)	(19.24)
- Traditional Trade	73.07	9.85	79.69	12.98	6.62	9.06
- Window Asia Shops	59.81	8.06	45.37	7.39	(14.44)	(24.14)
- Other	37.21	5.02	27.10	4.41	(10.11)	(27.17)
<b>Other Income</b>	10.99	1.48	9.01	1.47	(1.98)	(18.02)
<b>Total Revenue</b>	<b>741.89</b>	<b>100.00</b>	<b>614.06</b>	<b>100.00</b>	<b>(127.83)</b>	<b>(17.23)</b>

### Revenue from sales

From the table above, revenue from sales still mainly comes from sales to modern trade, which are the Company's primary customer group. The revenue from modern trade for the 3-month period ended 30 September 2023 and 2024 were THB 166.42 million and 108.16 million, respectively. These figures represent of 77.40% and 72.21% of total revenue, respectively. For the 9-month period ended 30 September 2023 and 2024 were THB 560.81 million and 452.89 million, respectively. These figures represent of 75.59% and 73.75% of total revenue, respectively.

For the 3-month period ended 30 September 2024, the Company had revenue from modern trade by THB 108.16 million, a decrease by THB 58.26 million or 35.01% compared to the same period of the previous year. This decrease was due to economic recession and inventory control from modern trade. Revenue from traditional trade had THB 20.10 million, an increase by 1.64 million or 8.88% compared to the same period of the previous year. This result was the company has new customer in 2024. Revenue from window asia shop had THB 11.07 million, a decrease by THB 4.65 million or 29.58% compared to the same period of the previous year. This decrease was due to economic recession.

For the 9-month period ended 30 September 2024, the Company had revenue from modern trade by THB 452.89 million, a decrease by THB 107.92 million or 19.24% compared to the same period of the previous year. This decrease was due to economic recession and inventory control from modern trade. Revenue from traditional trade had THB 79.69 million, an increase by 6.62 million or 9.06% compared to the same period of the previous year. This result was the company has new major customer in 2024. Revenue from window asia shop had THB 45.37 million, a decrease by THB 14.44 million or 24.14% compared to the same period of the previous year. This decrease was due to economic recession.



### Other Income

Most other income comes from the sale of aluminum and UPVC scraps, which are residual materials from the production process of aluminum and UPVC doors and windows. For the 3-month period ended 30 September 2023 and 2024, the company had other income were THB 3.60 million and 2.92 million, respectively. These figures represent other income of 1.67% and 1.95% of sales revenue, respectively. However, this decrease was still on par with the other income in the same period of the previous year.

For the 9-month period ended 30 September 2023 and 2024, the company had other income were THB 10.99 million and 9.01 million, respectively. These figures represent other income of 1.48% and 1.47% of sales revenue, respectively. However, this decrease was still on par with the other income in the same period of the previous year.

### Cost of sales

Cost structure and gross profit	3-month 2023		3-month 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales	211.40	100.00	146.86	100.00	(64.54)	(30.53)
Cost of sales	(144.25)	68.24	(108.94)	74.18	(35.31)	(24.48)
<b>Gross profit</b>	<b>67.15</b>	<b>31.76</b>	<b>37.92</b>	<b>25.82</b>	<b>(29.23)</b>	<b>(43.53)</b>

Cost structure and gross profit	9-month 2023		9-month 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales	730.90	100.00	605.05	100.00	(125.85)	(17.22)
Cost of sales	(506.89)	69.35	(419.19)	69.28	(87.70)	(17.30)
<b>Gross profit</b>	<b>224.01</b>	<b>30.65</b>	<b>185.86</b>	<b>30.72</b>	<b>(38.15)</b>	<b>(17.03)</b>

### Cost of sales

The Company's cost of sales includes the cost of raw materials, direct labor, manufacturing overheads, and miscellaneous expenses. For the 3-month period ended 30 September 2023 and 2024, the company had cost of sales were THB 144.25 million and 108.94 million, respectively. These figures represent cost of sales of 68.24% and 74.18% of revenue from sales, respectively. Cost of sales had a decrease by THB 35.31 million or a decrease in a rate of 24.48% compared to the same period of the previous year. The decrease is mainly came from decrease in revenue from sales. However, costs have not decreased in proportion to revenue due to fixed costs.



For the 9-month period ended 30 September 2023 and 2024, the company had cost of sales were THB 506.89 million and 419.19 million, respectively. These figures represent cost of sales of 69.35% and 69.28% of revenue from sales, respectively. Cost of sales had a decrease by THB 87.70 million or a decrease in a rate of 17.30% compared to the same period of the previous year. This decrease was in line with the revenue from sales.

#### **Share of losses from investments in associated and impairment losses on investments in associated**

For the 3-month period ended 30 September 2024, the Company's share of losses was Baht 1.70 million. There was no additional share of losses because the company had already set up a full allowance for impairment of investment in associated company.

For the 9-month period ended 30 September 2024, the Company's share of losses was Baht 7.16 million. There was no additional share of losses because the company had already set up a full allowance for impairment of investment in associated company. The company has no plan to increase investment in associate company.

#### **Gross Profit**

As a result of the Company recognizing revenue from sales and the cost of sales as previously described, for the 3-month period ended 30 September 2023 and 2024, the company had gross profit were THB 67.15 million and 37.92 million, respectively. These figures represent gross profit margins of 31.76% and 25.82% of revenue from sales, respectively. The Company's gross profit was decrease by THB 29.23 million or a decrease in a rate of 43.53% compared to the same period of the previous year. The decrease in gross profit is mainly came from decrease in revenue from sales. However, costs have not decreased in proportion to revenue due to fixed costs.

For the 9-month period ended 30 September 2023 and 2024, the company had gross profit were THB 224.01 million and 185.86 million, respectively. These figures represent gross profit margins of 30.65% and 30.72% of revenue from sales, respectively. The Company's gross profit was decrease by THB 38.15 million or a decrease in a rate of 17.03% compared to the same period of the previous year. This decrease in net profit is a result of the company's revenue decreased.



SG&A and Other expense	3-month 2023		3-month 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling expenses	30.83	56.12	27.71	60.03	(3.12)	(10.12)
Administrative Expenses	16.42	29.89	16.02	34.71	(0.40)	(2.44)
Other income-net	(1.02)	(1.86)	0.84	1.82	(1.86)	(182.35)
Finance costs	3.84	6.99	1.59	3.44	(2.25)	(58.59)
Share of loss from investments in associate	4.87	8.86	-	-	(4.87)	(100.00)
<b>Total</b>	<b>54.94</b>	<b>100.00</b>	<b>46.16</b>	<b>100.00</b>	<b>(8.78)</b>	<b>(15.98)</b>

SG&A and Other expense	9-month 2023		9-month 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Selling expenses	97.96	59.02	85.44	61.63	(12.52)	(12.78)
Administrative Expenses	44.50	26.81	47.72	34.42	3.22	7.24
Other income-net	(1.11)	(0.67)	0.34	0.25	(1.45)	(130.63%)
Finance costs	10.20	6.15	5.13	3.70	(5.07)	(49.71)
Share of loss from investments in associate	14.43	8.69	-	-	(14.43)	(100.00)
<b>Total</b>	<b>165.98</b>	<b>100.00</b>	<b>138.63</b>	<b>100.00</b>	<b>(27.35)</b>	<b>(16.48)</b>

### Selling expenses

The Company's selling expenses mainly consist of commissions and sales employee salaries. Other components of selling expenses include promotional expenses across various sales channels, costs for product display in both modern trade and traditional trade, etc. Selling Expenses for the 3-month period ended 30 September 2023 and 2024 were THB 30.83 million and 27.71 million, respectively. The Company's selling expenses was decreased by THB 3.12 million or a decrease in a rate of 10.12% compared to the same period of the previous year. This decrease was due to the costs of advertising expenses.

For the 9-month period ended 30 September 2023 and 2024 were THB 97.96 million and 85.44 million, respectively. The Company's selling expenses was decrease by THB 12.52 million or a decrease in a rate of 12.78% compared to the same period of the previous year. This decrease was due to the costs of advertising expenses



### Administrative Expenses

The Company's administrative expenses mainly consist of employee's expenses, depreciation, auditing fees, consultancy fees, and other administrative expenses. Administrative Expenses for the 3-month period ended 30 September 2023 and 2024 were THB 16.42 million and 16.02 million, respectively. The Company's administrative expenses was decrease by THB 0.40 million or a decrease in a rate of 2.44% compared to the same period of the previous year. However, this decrease was still on par with the administrative expenses in the same period of the previous year.

For the 9-month period ended 30 September 2023 and 2024 were THB 44.50 million and 47.72 million, respectively. The Company's administrative expenses was increase by THB 3.22 million or an increase in a rate of 7.24% compared to the same period of the previous year. This increase was due to the fee charged after entering Stock Exchange of Thailand (SET) and consultant fee.

### Finance Cost

The Company's finance costs primarily consist of interest on loans from financial institutions and lease liabilities. Finance cost for the 3-month period ended 30 September 2023 and 2024 were THB 3.84 million and 1.59 million, respectively. The Company's finance cost was decreased by THB 2.25 million or a decrease in a rate of 58.59% compared to the same period of the previous year. This was a result of repaying trust receipt and loans from financial institutions.

For the 9-month period ended 30 September 2023 and 2024 were THB 10.20 million and 5.13 million, respectively. The Company's finance cost was decreased by THB 5.07 million or a decrease in a rate of 49.71% compared to the same period of the previous year. This was a result of repaying trust receipt and loans from financial institutions.

### Net Profit

From the details mentioned above, the net profits for the 3-month period ended 30 September 2023 was THB 12.54 million and the net loss for the 3-month period ended 30 September 2024 was 4.16 million. The Company's net profit was decrease by THB 16.70 million or a decrease in a rate of 133.17% compared to the same period of the previous year. This decrease in net profit is a result of the company's revenue decreased.

For the 9-month period ended 30 September 2023 and 2024 were THB 54.60 million and 45.13 million, respectively. The Company's net profit was decrease by THB 9.47 million or a decrease in a rate of 17.34% compared to the same period of the previous year. This decrease in net profit is a result of the company's revenue decreased.



## Financial Analysis

Balance sheet	December 31, 2023		September 30, 2024		Change	
	Million Baht	%	Million Baht	%	Million Baht	%
Total Assets	1,196.11	100.00	1,120.29	100.00	(75.82)	(6.34)
Total Liabilities	331.14	27.68	230.59	20.58	(100.55)	(30.36)
Total equity	864.97	72.32	889.70	79.42	24.73	2.86

As of September 30, 2024, the Company's total assets amounted to THB 1,120.29 million, a decrease of THB 75.82 million compared to the year ended 2023. The decrease in inventory due to more efficient management inventory and decrease in property, plant and equipment is a result of depreciation expenses.

Regarding the total liabilities of the Company, it amounted to THB 230.59 million, a decrease of THB 100.55 million. The Company repaying short-term and long-term loans from financial institutions. For the shareholders' equity, it amounted to THB 889.70 million, which was an increase of THB 24.73 million due to the Company's net profit for the 9-month period ended 30 September 2024 was THB 45.13 million and the Company paid dividends to shareholders of THB 20.40 million.

Yours sincerely,

-Patinun Tuntivasin-

.....

(Miss Patinun Tuntivasin)

Chief Financial Officer

Window Asia Public Company Limited