25th February 2021

Subject: To submit Management Discussion and Analysis for the year ended 31 December 2020

To : Managing Director
The Stock Exchange of Thailand

Management Discussion and Analysis (MD & A)
Summary of Business Operation of Company and Subsidiaries

In the year 2020, the consolidated financial statements shown the net profit of Baht 138.9 million, increase by Baht 15.9 million from previous year or 12.9%. If not including the loss from adoption for new TFRS of Baht 43.3 million, **the consolidate financial statement shown net profit of Baht 182.2 million, increase by Baht 57.0 million** from the previous year or 45.5%. The separate financial statements have net profit of Baht 81.6 million increase by Baht 4.1 million or 5.3%. If not including the loss from adoption for new TFRS of Baht 39.3 million, **the separate financial statement shown net profit of Baht 120.9 million, increase by Baht 41.2 million** from the previous year or 51.7%. As a resulted from increase of all revenue business units and cost and expenses controlling.

(Unit : Mil Baht)	**Consolidated**						**Separate**					
	2020		**2019**		**Increase (Decrease)**		**2020**		**2019**		**Increase (Decrease)**	
Total revenues	7,813.1	100.0%	7,376.6	100.0%	436.5	5.9%	6,494.3	100.0%	5,596.7	100.0%	897.6	16.0%
Total expenses	-7,583.3	-97.1%	-7,235.6	-98.1%	-347.7	4.8%	-6,341.1	-97.6%	-5,484.0	-98.0%	-857.1	15.6%
Finance cost	-35.5	-0.5%	-53.9	-0.7%	18.4	-34.1%	-26.3	-0.4%	-37.3	-0.7%	11.0	-29.5%
Income tax expenses	-45.8	-0.6%	-26.2	-0.4%	-19.6	74.8%	-22.0	-0.3%	-12.3	-0.2%	-9.7	78.9%
Share of profit from investments in associated companies and joint ventures	17.0	0.2%	47.0	0.6%	-30.0	-63.8%	-	-	-	-	-	-
Finance income	16.7	0.2%	17.3	0.2%	-0.6	-3.5%	16.0	0.2%	16.6	0.3%	-0.6	-3.6%
Reversal of impairment loss (Impairment loss) on financial assets	-21.0	-0.3%	-2.2	0.0%	- 18.8	854.5%	-17.0	-0.3%	-2.2	0.0%	-14.8	672.7%
Unrealised loss on change in fair value of derivative	-22.3	-0.3%	-	-	-22.3	100.0%	-22.3	-0.3%	-	-	-22.3	100.0%
Profit for the year	**138.9**	**1.8%**	**123.0**	**1.7%**	**15.9**	**12.9%**	**81.6**	**1.3%**	**77.5**	**1.4%**	**4.1**	**5.3%**
Other comprehensive income	0.9	0.0%	1.7	0.0%	-0.8	-47.1%	-	-	0.5	0.0%	-0.5	-100.0%
Total comprehensive income for the year	**139.8**	**1.8%**	**124.7**	**1.7%**	**15.1**	**12.1%**	**81.6**	**1.3%**	**78.0**	**1.4%**	**3.6**	**4.6%**

Analysis of Revenue Structure

(Unit : Mil Baht)	Consolidated						Separate					
	2020		2019		Increase (Decrease)		2020		2019		Increase (Decrease)	
Sales and services income	**7,599.5**	**97.3%**	**7,107.0**	**96.3%**	**492.5**	**6.9%**	**6,284.7**	**96.8%**	**5,352.0**	**95.6%**	**932.7**	**17.4%**
Other income	**213.6**	**2.7%**	**269.6**	**3.7%**	**-56.0**	**-20.8%**	**209.7**	**3.2%**	**244.7**	**4.4%**	**-35.0**	**-14.3%**
Total Revenues	**7,813.1**	**100.0%**	**7,376.6**	**100.0%**	**436.5**	**5.9%**	**6,494.4**	**100.0%**	**5,596.7**	**100.0%**	**897.7**	**16.0%**

Total revenues of the Company and its subsidiaries in the consolidated financial statements of Baht 7,813.1 million, increased by Baht 436.5 million from the previous year or 5.9% and total revenues in separate financial statement of Baht 6,494.4 million, increased by Baht 897.7 million from the previous year or 16.0%.

Product line/ Business Unit	Operated by	2020		2019	
		Revenue	%	Revenue	%
IT Distribution	ITDSBU	3,714	47	3,544	48
System Integration	SISBU	2,091	27	1,840	25
IT Project	ITPSBU	1,698	22	1,613	22
Components Distribution	ASYS	96	1	110	1
Other income		214	3	269	4
Total Sale		**7,813**	**100**	**7,376**	**100**

* after eliminated transactions of group company

- Sales and services income in the consolidated financial statements increased by Baht 492.5 Million or 6.9% and separate financial statement increased by Baht 932.7 Million or 17.4%, as a result from increased of IT Distribution (ITDSBU), System Integration (SISBU) and IT Project (ITPSBU) strategic business unit. The IT project increase from computer bidding projects of government sector and state enterprise, the situation of the COVID-19 has a positive impact for the Company in this quarter and the beginning of gradual handover of works of ADM recycle machine project (automatic deposit-withdrawal machines) 2,130 units that won the auction at the end of 2019.

- Other income in the consolidated financial statements decreased by Baht 56.0 million or 20.8%, and the separate financial statements decreased by Baht 35.0 million or 14.3% from the previous year as a result of decrease in the part of revenue from suppliers' support and there have been reversal the estimation costs of projects that were completed.

- Share of profit from investment in associates and joint ventures decreased by Baht 30.0 million or 63.8% from the previous year, mainly from Lease IT Public Co., Ltd. and IT CITY Public Co., Ltd.

□ Analysis of Expenditure Structure

(Unit : Mil Baht)	Consolidated						Separate					
	2020		2019		Increase (Decrease)		2020		2019		Increase (Decrease)	
Cost of sales and services	6,845.0	90.3%	6,447.8	89.1%	397.2	6.2%	5,840.1	92.1%	4,954.2	90.3%	885.9	17.9%
Selling and distribution expenses	553.0	7.3%	550.6	7.6%	2.4	0.4%	351.7	5.5%	364.7	6.7%	-13.0	-3.6%
Administrative expenses	185.2	2.4%	237.2	3.3%	-52.0	-21.9%	149.3	2.4%	165.1	3.0%	-15.8	-9.6%
Total Expenditure	**7,583.2**	**100.0%**	**7,235.6**	**100.0%**	**347.6**	**4.8%**	**6,341.1**	**100.0%**	**5,484.0**	**100.0%**	**857.1**	**15.6%**

Total expenses in the consolidated financial statements increased by Baht 347.6 million or 4.8% from the previous year and separate financial statement increased by Baht 857.1 million or 15.6% from the previous year, due to:-

- Cost of sales and services in the consolidated financial statement increased by Baht 397.2 million or 6.2% and the separate financial statement increased by Baht 885.9 million or 17.9% in accordance with the proportion of sales and services.

- Selling and distribution expenses in the consolidated financial statements increased by Baht 2.4 million or 0.4% and the separate financial statements decreased by Baht 13.0 million or 3.6% resulted from sales promotion campaign.

- Administrative expenses in the consolidated financial statements decreased by Baht 52.0 million or 21.9% and the separate financial statements decreased by Baht 15.8 million or 9.6% as resulted from manage and control expenses.

- Unrealized gain (loss) on change in fair value of derivative was resulted from the first-time adoption of new TFRS9 that has to recognize Warrants of Lease IT (LIT) as the market price and recorded loss of Baht 22.3 million in the year of 2020.

□ Analysis of Profit Structure

In the year 2020, profit before income tax expenses in the consolidated financial statement of Baht 184.7 million, increased by Baht 35.4 million from the previous year of 23.7% and profit before income tax expenses in the separate financial statement of Baht 103.6 million, increased by Baht 13.8 million from the previous year or 15.3%. Income tax expenses in the consolidated financial statement of Baht 45.8 million and income tax expenses in the separate financial statement of Baht 22.0 million calculated at the tax rate of 20% of net profit after adding non-deductible expenses, which the Revenue Department did not allow as expenses. The figures mentioned excluded the share of profit (loss) from investments under the equity method.

Financial Status

Analysis of Asset Structure

(Unit : Mil Baht)	Consolidated						Separate					
	31 December 2020		31 December 2019		Increase (Decrease)		31 December 2020		31 December 2019		Increase (Decrease)	
Total Current Assets	**4,006.9**	**66.9%**	**3,333.9**	**68.6%**	**673.0**	**20.2%**	**2,620.5**	**64.5%**	**2,149.4**	**69.9%**	**471.1**	**21.9%**
Other non-current financial assets	33.5	0.6%	-	-	33.5	100.0%	30.2	0.7%	-	-	30.2	100.0%
Investment in subsidiary companies	-	-	-	-	-	-	119.2	2.9%	70.2	2.3%	49.0	69.8%
Investment in associated companies	644.9	10.8%	801.8	16.5%	-156.9	-19.6%	258.4	6.4%	382.3	12.4%	-123.9	-32.4%
Investment in joint ventures	8.7	0.1%	8.3	0.2%	0.4	4.8%	-	-	-	-	-	-
Property, plant and equipment	184.6	3.1%	188.0	3.9%	-3.4	-1.8%	157.4	3.9%	154.0	5.0%	3.4	2.2%
Right-of-use assets	78.7	1.3%	-	-	78.7	100.0%	45.3	1.1%	-	-	45.3	100.0%
Intangible assets	112.7	1.9%	95.8	2.0%	16.9	17.6%	83.0	2.0%	69.4	2.3%	13.6	19.6%
Financial lease receivables – net of current portion	675.6	11.3%	185.3	3.8%	490.3	264.6%	667.3	16.4%	171.5	5.6%	495.8	289.1%
Deferred tax assets	72.2	1.2%	30.8	0.6%	41.4	134.4%	46.6	1.1%	10.6	0.3%	36.0	339.6%
Other non-current assets	167.7	2.8%	214.7	4.4%	-47.0	-21.9%	31.8	0.8%	65.7	2.1%	-33.9	-51.6%
Total non-current assets	**1,978.6**	**33.1%**	**1,524.7**	**31.4%**	**453.9**	**29.8%**	**1,439.2**	**35.5%**	**923.7**	**30.1%**	**515.5**	**55.8%**
Total Assets	**5,985.5**	**100.0%**	**4,858.6**	**100.0%**	**1,126.9**	**23.2%**	**4,059.7**	**100.0%**	**3,073.1**	**100.0%**	**986.6**	**32.1%**

The Company and subsidiaries had total assets in the consolidated financial statements of Baht 5,985.5 million, increased by Baht 1,126.9 million from the end of the year or 23.2% and had the total assets in the separate financial statements of Baht 4,059.7 million, increased by Baht 986.6 million from the end of previous year or 32.1% due to:-

- Current assets in the consolidated financial statements increased by Baht 673.0 million and the separate financial statements increased by Baht 471.1 million as a result of:-

  - Cash and cash equivalents in the consolidated financial statements increased by Baht 429.6 million and the separate financial statements increased by Baht 163.0 million from the operating results.

  - Trade and other receivables in the consolidated financial statements increased by Baht 188.0 million and the separate financial statement increased by Baht 323.1 million in accordance with the proportion of sales and services. In the year 2020, the average collection period in the consolidated financial statements was 80 days and the separate financial statements was 62 days. The reason for the long debt collection was due to the fact that most of the debtors were government agencies and financial institutions requiring processes of acceptance and payment.

  - Current portion of financial lease receivables in the consolidated financial statements and the separate financial statements decreased by Baht 65.6 million and decreased by Baht 66.2 million from the long-term lease contracts with government agencies and private sector.

  - Inventories in the consolidated financial statements increased by Baht 91.7 million and the separate financial statements increased by Baht 26.2 million from increase of work in process and inventory management and control. In the year 2020, the inventories turnover in the consolidated financial statements was 47 days and the separate financial statements was 33 days, respectively.

- Non-current assets in the consolidated financial statements increased by Baht 453.9 million and the separate financial statements increased by Baht 515.5 million as resulted from the new coming of finance lease contracts, the first-time adoption of a new TFRS16 that has to recognize Right-of-use assets, and the investment in Digitech One Company Limited, a new subsidiary.

Analysis of Liabilities Structure

(Unit : Mil Baht)	Consolidated						Separate					
	31 December 2020		31 December 2019		Increase (Decrease)		31 December 2020		31 December 2019		Increase (Decrease)	
Current liabilities	3,592.2	96.9%	2,524.7	97.8%	1,067.5	42.3%	2,606.4	97.6%	1,628.0	98.3%	978.4	60.1%
Non-current liabilities	115.3	3.1%	57.0	2.2%	58.3	102.3%	63.2	2.4%	28.0	1.7%	35.2	125.7%
Total liabilities	**3,707.5**	**100.0%**	**2,581.7**	**100.0%**	**1,125.8**	**43.6%**	**2,669.6**	**100.0%**	**1,656.0**	**100.0%**	**1,013.6**	**61.2%**

Total liabilities of the Company and its subsidiaries in the consolidated financial statements of Baht 3,707.5 million, increased of Baht 1,125.8 million from the end of the previous year or 43.6% and total liabilities in the separate financial statements of Baht 2,669.6 million, increased by Baht 1,013.6 million from the end of the previous year or 61.2% due to:-

- Short-term loans from banks in the consolidated financial statements increased by Baht 242.4 million and the separate financial statements increased by Baht 293.6 million from the financing agreement for the supply of goods to customers. When receiving money from customers under the contract, the Company will repay the loan to the bank which this method would lessen the cost of the company's capital.

- Trade and other payables in the consolidated financial statements increased by Baht 619.9 million and the separate financial statements increased by Baht 522.2 million due to more purchasing and increasing average payment period. In the year 2020, the average repayment period in the consolidated financial statement was 53 days and the separate financial statements was 50 days, respectively.

Analysis of Structure of Shareholders' Equity

(Unit : Mil Baht)	Consolidated						Separate					
	31 December 2020		31 December 2019		Increase (Decrease)		31 December 2020		31 December 2019		Increase (Decrease)	
Fully paid up capital	947.0	41.6%	947.0	41.6%	-	-	947.0	68.1%	947.0	66.8%	-	-
Par value surplus	0.5	0.0%	0.5	0.0%	-	-	0.5	0.0%	0.5	0.0%	-	-
Premium on shares of an associated company	96.5	4.2%	96.5	4.2%	-	-	-	-	-	-	-	-
Statutory reserve	61.2	2.7%	57.1	2.5%	4.1	7.2%	61.2	4.4%	57.1	4.0%	4.1	7.2%
Retained earnings	1,172.8	51.5%	1,175.7	51.6%	-2.9	-0.2%	381.5	27.4%	412.6	29.2%	-31.1	-7.5%
Total Shareholder's equity	**2,278.0**	**100.0%**	**2,276.8**	**100.0%**	**1.2**	**0.1%**	**1,390.1**	**100.0%**	**1,417.1**	**100.0%**	**-27.0**	**-1.9%**

Shareholders' equity of the Company and its subsidiaries in the consolidated financial statements was Baht 2,278.0 million, increased by Baht 1.2 million from the end of previous year or 0.1% resulted from profit by Baht 138.9 million and the recognition of revaluation of investments in accordance with TFRS 9 effective on 1 January 2020. The separate financial statements Baht 1,390.1 million, decreased by Baht 27.0 million from the end of previous year or 1.9% resulted from profit by Baht 81.6 million and recognition of revaluation of investments in accordance with TFRS 9 effective on 1 January 2020 including the announcement of an interim dividend of Baht 37.9 million.

Please be informed accordingly.

Yours faithfully,

(Dr. Wilson Teo Yong Peng)
Authorized Director