

Translation

DIMET AC 2021/005

November 12, 2021

Subject: Management's Discussion and Analysis of Business Operations of Q3 of 2021.
(July 1, 2021 – September 30, 2021)

To : The Manager and President
The Stock Exchange of Thailand

Dimet (Siam) Public Company Limited, the "company", would like to clarify criteria for making conditional conclusion from the auditor's review. that shows the auditor's report; due to some consulting and lawyer expenses, Company has suspended payment and has filed a lawsuit against the parties and related persons in court. because they did not receive sufficient documents as evidence of the performance of the contract and was unable to review sufficient appropriate evidence regarding the fair value of the investment in IGEN Engineering Company Limited, thus the auditor was unable to conclude whether such adjustment was necessary or not.

The company has changed the accounting period from the end of June. is the end of December This accounting period is therefore the beginning of the full fiscal year starting from January to the end of December.

Operating results for quarter 3/2021 for 3 months period ended September 30, 2021 of Dimet (Siam) Public Company Limited "company" and its subsidiaries has gross profit of 6.86 Million Baht or 16.60% which loss from operating results of 12.09 Million Baht as loss decreased 1.36 Million Baht or equal to 10.15% when compared to same period of previous year as loss of 13.45 Million Baht.

At the same time, operating results for 9 months period of year 2021 the company has operating loss of 33.87 Million Baht as loss decreased of 2.50 Million Baht or 6.88% when compared to same period of previous year as loss of 36.37 Million Baht by following details:

Analyze the Performance

Company's Performance For the period ended SEP. 30,2021 (MB)	For the 3-month Period		Increase (Decrease)		For the 9-month Period		Increase (Decrease)	
	2021	2020	(MB)	%	2021	2020	(MB)	%
Revenue from sales and services	35.68	28.00	7.68	27.42%	116.09	169.99	(53.90)	-31.71%
Revenues from construction work	-	-	-	0.00%	-	60.79	(60.79)	-100.00%
Other income	1.05	0.56	0.49	87.68%	2.97	5.30	(2.33)	-44.02%
Total revenues	36.73	28.56	8.17	28.60%	119.06	236.08	(117.02)	-49.57%
Cost of sales and services	29.88	21.94	7.94	36.19%	94.87	124.50	(29.63)	-23.80%
Cost of construction work	-	0.75	(0.75)	-100.00%	-	56.99	(56.99)	-100.00%
Total Cost of Good Sold	29.88	22.68	7.19	31.71%	94.87	181.49	(86.62)	-47.73%
Gross Profit (Loss)	6.86	5.88	0.98	16.60%	24.19	54.59	(30.40)	-55.70%
Selling and Administrative Expenses	18.94	19.33	(0.39)	-2.01%	58.05	90.96	(32.91)	-36.18%
Operating Profit (Loss)	(12.09)	(13.45)	1.36	-10.15%	(33.87)	(36.37)	2.50	-6.88%
Loss on impairment of assets	-	(0.70)	0.70	-100.00%	(0.86)	(43.48)	42.62	-98.03%
Loss on impairment of investments	-	-	-	0.00%	(1.17)	-	(1.17)	0.00%
Finance cost	(2.01)	(2.60)	0.59	-22.70%	(4.91)	(6.29)	1.37	-21.81%
Loss before income tax income (expense)	(14.10)	(16.76)	2.66	-15.85%	(40.81)	(86.13)	45.33	-52.62%
Income tax income (expense)	0.50	(1.61)	2.11	-130.78%	0.53	(4.33)	4.86	-112.34%
Loss for the period	(13.60)	(18.37)	4.76	-25.93%	(40.27)	(90.46)	50.19	-55.48%
Items must not be classified into profit or loss in the future	-	-	-	0.00%	-	(0.51)	0.51	-100.00%
Total comprehensive loss for the period	(13.60)	(18.37)	4.76	-25.93%	(40.27)	(90.97)	50.70	-55.73%

Revenue

REVENUE For the period ended SEP. 30,2021 (MB)	FOR THE THREE-MONTH PERIOD				Increase (Decrease)		FOR THE NINE-MONTH PERIOD				Increase (Decrease)	
	2021	%	2020	%	(MB)	%	2021	%	2020	%	(MB)	%
Revenue from sales and services	35.68	97.14%	28.00	98.04%	7.68	27.42%	116.09	97.51%	169.99	72.01%	(53.90)	-31.71%
Revenues from construction work	-	0.00%	-	0.00%	-	0.00%	-	0.00%	60.79	25.75%	(60.79)	-100.00%
Other income	1.05	2.86%	0.56	1.96%	0.49	87.68%	2.97	2.49%	5.30	2.25%	(2.33)	-44.02%
Total Revenues	36.73	100%	28.56	100%	8.17	28.60%	119.06	100%	236.08	100%	(117.02)	-49.57%
Cost of goods sold	29.88	81%	21.94	77%	7.94	36.19%	94.87	80%	124.50	52.74%	(29.63)	-23.80%
Cost of distribution	-	0%	0.75	3%	(0.75)	-100.00%	-	0%	56.99	24.14%	(56.99)	-100.00%
Total Cost of Good Sold	29.88	81%	22.68	79%	7.19	31.71%	94.87	80%	181.49	77%	(86.62)	-47.73%
Gross Profit (Loss)	6.86	19%	5.88	21%	0.98	16.60%	24.19	20%	54.59	23%	(30.40)	-55.70%

Quarter 3/2021 for 3 months' period of company and its subsidiaries has total revenue of 36.73 Million Baht as 28.60% increase when compared to same period of previous as total revenue of 28.56 Million Baht by following details:

- **Revenue from sales and services** of 35.68 Million Baht as 7.68 Million Baht increased or 27.42% when compared to same period of previous year as total revenue of 28.00 Million Baht due to movement in term of paint business has slightly higher.
- **Other income** of 1.05 Million Baht as 0.49 Million Baht increased or 87.68% when compared to same period of previous year as other income of 0.56 Million Baht arising from recognition of gains from changes in fair value of other non-current financial assets.

Gross Profit

- Quarter 3/2021 for 3 months' period and 9 months' period of company and its subsidiaries has total gross profit of 6.86 Million Baht and 24.19 Million Baht or equivalent to 19.00% and 20.00% of total revenue respectively. For 3 months' period has increased in gross profit by 0.98 Million Baht or 16.60% and 9 months' period decline in term of gross profit by 30.40 Million Baht or 55.70% respectively when compared to same period of previous year which had gross profit of 5.88 Million Baht and 54.59 Million Baht or equivalent to 21.00% and 23.00% of total revenue respectively. By this, due to last year had revenue from construction services which at the present company has delayed accepting work, moreover also impact of epidemic of COVID-19 virus which continuous effect for almost 2 years, making various industrial sectors slowdown. As a result, sales of company in the past 9 months have decreased from previous year as well as decline of gross profit.

Expenses

EXPENSES For the period ended SEP. 30,2021 (MB)	FOR THE THREE-MONTH PERIOD				Increase (Decrease)		FOR THE NINE-MONTH PERIOD				Increase (Decrease)	
	2021	% Per	2020	% Per	(MB)	%	2021	% Per	2020	% Per	(MB)	%
		Revenue		Revenue				Revenue		Revenue		
Cost of goods sold	29.88	81.33%	21.94	76.80%	7.94	36.19%	94.87	79.69%	124.50	52.74%	(29.63)	-23.80%
Cost of construction work	-	0.00%	0.75	2.61%	(0.75)	-100.00%	-	0.00%	56.99	24.14%	(56.99)	-100.00%
Cost of distribution	5.42	14.76%	4.18	14.62%	1.25	29.86%	19.38	16.28%	15.21	6.44%	4.17	27.42%
Administrative expenses	13.52	36.81%	15.16	53.06%	(1.64)	-10.79%	38.67	32.48%	75.75	32.09%	(37.08)	-48.95%
Loss on impairment of assets	-	0.00%	0.70	2.45%	(0.70)	-100.00%	0.86	0.72%	43.48	18.42%	(42.62)	-98.03%
Loss on impairment of investments		0.00%	-	0.00%		0.00%	1.17	0.98%	-	0.00%	1.17	0.00%
Finance cost	2.01	5.48%	2.60	9.12%	(0.59)	-22.70%	4.91	4.13%	6.29	2.66%	(1.37)	-21.81%
Total Expenses	50.83	138%	45.32	159%	5.51	12.17%	159.87	134%	322.21	136%	(162.35)	-50.38%

In quarter 3/2021 for 3 months' period of company and its subsidiaries has total expenses of 50.83 Million Baht as 5.51 Million Baht increased or equal to 12.17% when compared to same period of previous year as total expenses of 45.32 Million Baht by following reasons:

- **Cost of sales and services** total of 29.88 Million Baht as 7.94 Million Baht increased or equal to 36.19% when compared to same period of previous year which total cost of sales and services of 21.94 Million Baht thus was same direction as sales of paint business in this quarter.
- **Distribution costs** as total of 5.42 Million Baht as 1.25 Million Baht increased or equal to 29.86% when compared to same period of previous which had distribution cost of 4.18 Million Baht due to company has increased its distribution personnel in hopes of increasing sales for the company.
- **Administrative expenses** of 13.52 Million Baht as 1.64 Million Baht decreased or equal to 10.79% when compared to same period of previous as amount of 15.16 Million Baht due to adjustment in term of Executives structure and reduce unnecessary expenses for more efficient in term of management.
- **Financial cost** of 2.01 Million Baht as 0.59 Million Baht decreased or equal to 22.70% when compared to same period of previous year of 2.60 Million Baht due to decline in term of outstanding liabilities.

Financial position

Statement of Financial Position	30-Sep	31-Dec	Increase (Decrease)	
Quarter 3 as at September 30, 2021 (Million Baht)	2021	2020	(MB)	%
ASSETS				
Current Assets	138.44	214.29	(75.85)	-35.40%
Non-current assets	103.26	119.59	(16.33)	-13.66%
Total assets	241.70	333.88	(92.19)	-27.61%
LIABILITIES				
Current liabilities	97.64	144.49	(46.85)	-32.42%
Non-current liabilities	5.28	10.35	(5.06)	-48.95%
Total liabilities	102.92	154.84	(51.91)	-33.53%
Equity				
Issued and paid up share capital	807.56	807.56	-	0.00%
Premium on ordinary shares	154.86	154.86	-	0.00%
Discount on ordinary shares	(430.70)	(430.70)	-	0.00%
Surplus from change in proportion of investment in subsidiary	0.55	0.55	-	0.00%
Statutory reserve	3.03	3.03	-	0.00%
Retained earnings (Deficits)	(396.53)	(356.26)	(40.27)	11.30%
Total shareholders' equity	138.77	179.05	(40.27)	-22.49%

Assets

As at September 30, 2021 company and its subsidiaries has total assets of 241.70 Million Baht which declined by 92.19 Million Baht or equal to 27.61% when compared to December 31, 2020 as total assets of 333.88 Million Baht due to following reasons:

- **Current Assets** amounting to 138.44 Million Baht as 75.85 Million Baht decreased or 35.40% when compared to December 31, 2020 as total of 214.29 Million Baht. Most current assets decreased from cash and cash equivalents amounting to 35.91 Million Baht, non-current assets or disposal asset group classified as held for sales decreased amounting to 24.17 Million Baht, inventories decreased amounting to 7.56 Million Baht and assets arising from contract – other businesses decreased by 4.07 Million Baht.

- **Non-Current Assets** of 103.26 Million Baht as decreased by 16.33 Million Baht when compared to December 31, 2020 of 119.56 Million Baht. Mostly came from non-current assets in term of Land, Building, equipment and right-of use assets declined by 7.96 Million Baht. Due to the periodic depreciation Amortization of unnecessary assets and early termination of leases to reduce expenses Other non-current assets decreased by 5.64 Million Baht due to the recognition of loss from investment cancellation and capital lease receivables decreased by 1.53 Million Baht due to debt receivable from contract receivables.

Liabilities

As at September 30, 2021 company has total liabilities of 102.92 Million Baht and 51.91 Million Baht decreased when compared to December 31, 2020 as amount of 154.84 Million Baht which mostly due to provision for severance pay for employee layoffs decreased by 13.46 Million Baht due company laying off employees and making legal compensation payments including interest. Trade and other current receivable decreased by 10.07 Million Baht due to normal business repayment. and liabilities included in the asset to be disposed group classified as assets held for sale decreased by 23.66 Million Baht.

Shareholders' equity

As at September 30 ,2021 company has total of shareholders' equity of 138.77 Million Baht as declined by 40.27 Million Baht when compared to December 31, 2020 as amount of 179.05 Million Baht cause by net loss for whole period.

Please be informed for acknowledgement.

Sincerely yours,

Mr. Noppadol Kanjanatawewat
Director