25th February 2022

Subject: To submit Management Discussion and Analysis for the year ended 31 December 2021

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 2021, the consolidated financial statements shown the net profit of Baht 159.9 million, increase by Baht 21.0 million from previous year or 15.1%. The separate financial statements have net profit of Baht 95.4 million increase by Baht 13.8 million or 16.9%. As a result of revenue from business units has increased. In addition, the Company ability to reduce selling and distribution expenses, and finance income from finance lease receivable increased as a result of completed and delivered the projects to customer.

(Unit : Mil Baht)	Consolidated						Separate					
	2021		2020		Increase (Decrease)		2021		2020		Increase (Decrease)	
Total revenues	8,710.9	100.0%	7,813.1	100.0%	897.8	11.5%	7,352.7	100.0%	6,494.3	100.0%	858.4	13.2%
Total expenses	-8,486.3	-97.4%	-7,583.3	-97.1%	903.0	11.9%	-7,192.9	-97.8%	-6,341.1	-97.6%	851.8	13.4%
Impairment loss on financial assets	-10.7	-0.1%	-21.0	-0.3%	-10.3	-49.0%	-17.4	-0.2%	-17.0	-0.3%	0.4	2.4%
Unrealised loss on change in fair value of derivative	-14.4	-0.2%	-22.3	-0.3%	-7.9	-35.4%	-14.4	-0.2%	-22.3	-	-7.9	-35.4%
Share of profit from investments in associated companies and joint ventures	17.9	0.2%	17.0	0.2%	0.9	5.3%	-	-	-	-	-	-
Finance income	37.6	0.4%	16.7	0.2%	20.9	125.1%	36.9	0.5%	16.0	0.2%	20.9	130.6%
Finance cost	-37.5	-0.4%	-35.5	-0.5%	2.0	5.6%	-28.6	-0.4%	-26.3	-0.4%	2.3	8.7%
Income tax	-57.6	-0.7%	-45.8	-0.6%	11.8	25.8%	-40.9	-0.6%	-22.0	-0.3%	18.9	85.9%
Profit for the year	**159.9**	**1.8%**	**138.9**	**1.8%**	**21.0**	**15.1%**	**95.4**	**1.3%**	**81.6**	**1.3%**	**13.8**	**16.9%**

□ **Analysis of Revenue Structure**

(Unit : Mil Baht)	Consolidated						Separate					
	2021		2020		Increase (Decrease)		2021		2020		Increase (Decrease)	
Revenue from contracts with customers	8,527.7	97.9%	7,599.5	97.3%	928.2	12.2%	7,186.5	97.7%	6,284.7	96.8%	901.8	14.3%
Other income	183.2	2.1%	213.6	2.7%	-30.4	-14.2%	166.1	2.3%	209.7	3.2%	-43.6	-20.8%
Total revenues	**8,710.9**	**100.0%**	**7,813.1**	**100.0%**	**897.8**	**11.5%**	**7,352.7**	**100.0%**	**6,494.3**	**100.0%**	**858.4**	**13.2%**

Total revenues of the Company and its subsidiaries in the consolidated financial statements of Baht 8,710.9 million, increased by Baht 897.8 million from the previous year or 11.5% and total revenues in separate financial statements of Baht 7,352.7 million, increased by Baht 858.4 million from the previous year or 13.2%.

Product line/ Business Unit	Operated by	2021		2020		Increase (Decrease)	
		Revenue	%	Revenue	%		
IT Distribution	ITDSBU	4,571.6	52.5%	3,717.0	47.6%	854.6	23.0%
System Integration	SISBU	1,757.7	20.2%	2,090.9	26.8%	-333.2	-15.9%
IT Project	ITPSBU	2,083.3	23.9%	1,698.9	21.7%	384.4	22.6%
Components Distribution	ASYS	115.1	1.3%	92.7	1.2%	22.4	24.2%
Other income		183.2	2.1%	213.6	2.7%	-30.4	-14.2%
Total Revenues		**8,710.9**	**100.0%**	**7,813.1**	**100.0%**	897.8	11.5%

* After eliminated transactions of group company

- Sales and services income in the consolidated financial statements and separate financial statements increased as a result of the increased in revenue from IT Distribution (ITDSBU), and IT Project (ITPSBU) strategic business unit related to the work from home measure (WFH) effect to the need to use IT equipment to support more work at home. The situation of the COVID-19 has still a positive impact for the Company in this year. The Company focuses on sales that are adapted to the new normal customer behavior. Additionally, the project has been delivered for the rental of equipment to support the digital center.

- Other income in the consolidated financial statements decreased by Baht 30.4 million or 14.2%, and the separate financial statements decreased by Baht 43.4 million or 20.7% from the previous year as a result of decreased in revenue from suppliers' support and there have been reversal of the estimation costs of projects that were completed.

- Share of profit from investment in associates and joint ventures increased by Baht 0.9 million or 5.3% from the previous year from IT CITY Public Co., Ltd.

□ Analysis of Expenditure Structure

(Unit : Mil Baht)	Consolidated						Separate					
	2021		2020		Increase (Decrease)		2021		2020		Increase (Decrease)	
Cost of sales and services	7,706.2	90.8%	6,845.0	90.3%	861.2	12.6%	6,662.8	92.6%	5,840.1	92.1%	822.7	14.1%
Selling and distribution expenses	542.7	6.4%	553.0	7.3%	-10.3	-1.9%	348.6	4.8%	351.7	5.5%	-3.1	-0.9%
Administrative expenses	237.4	2.8%	185.3	2.4%	52.1	28.1%	181.5	2.5%	149.3	2.4%	32.2	21.6%
Total expenses	**8,486.3**	**100.0%**	**7,583.3**	**100.0%**	**903.0**	**11.9%**	**7,192.9**	**100.0%**	**6,341.1**	**100.0%**	**851.8**	**13.4%**

Total expenses in the consolidated financial statements increased by Baht 903.0 million or 11.9% from the previous year and the separate financial statements increased by Baht 851.8 million or 13.4% from the previous year, due to:-

- Cost of sales and services in the consolidated financial statements increased by Baht 861.2 million or 12.6% and the separate financial statements increased by Baht 822.7 million or 14.1% in accordance with the proportion of sales and services.

- Selling and distribution expenses in the consolidated financial statements decreased by Baht 10.3 million or 1.9% and the separate financial statements decreased by Baht 3.1 million or 0.9% as a result of controlling on sales promotion expenses.

- Administrative expenses in the consolidated financial statements increased by Baht 52.1 million or 28.1% and the separate financial statements increased by Baht 32.2 million or 21.6%. This is due to an increase in administrative expenses that will fully facilitate future operations.

- Unrealized loss on change in fair value of derivative in the consolidated financial statements and the separate financial statements decreased by Baht 7.9 million, or 35.4% was resulted from recognition of warrants of Lease IT (LIT) as the market price and recorded loss of Baht 14.4 million in the year of 2021.

□ Analysis of Profit Structure

In the year 2021, profit before income tax expenses in the consolidated financial statements of Baht 217.5 million, increased by Baht 32.8 million from the previous year of 17.8% and profit before income tax expenses in the separate financial statements of Baht 136.3 million, increased by Baht 32.7 million from the previous year or 31.6%. Income tax expenses in the consolidated financial statements of Baht 57.6 million and income tax expenses in the separate financial statements of Baht 40.9 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. Higher tax expenses in the consolidated financial statements of Baht 11.8 million and the separate financial statements of Baht 18.9 million was from deferred tax income increased.

Financial Status

Analysis of Asset Structure

(Unit : Mil Baht)	Consolidated						Separate					
	31 December 2021		31 December 2020		Increase (Decrease)		31 December 2021		31 December 2020		Increase (Decrease)	
Total current assets	**3,617.7**	**62.0%**	**4,006.9**	**66.9%**	**-389.2**	**-9.7%**	**2,478.6**	**59.3%**	**2,620.5**	**64.5%**	**-141.9**	**-5.4%**
Other non-current financial assets	19.0	0.3%	33.5	0.6%	-14.5	-43.3%	15.8	0.4%	30.2	0.7%	-14.4	-47.7%
Investment in subsidiary companies	-	-	-	-	-	-	119.2	2.9%	119.2	2.9%	-	-
Investment in associated companies	648.9	11.1%	644.9	10.8%	4.0	0.6%	258.4	6.2%	258.4	6.4%	-	-
Investment in joint ventures	7.2	0.1%	8.7	0.1%	-1.5	-17.2%	-	-	-	-	-	-
Property, plant and equipment	182.8	3.1%	184.6	3.1%	-1.8	-1.0%	153.5	3.7%	157.4	3.9%	-3.9	-2.5%
Right-of-use assets	60.4	1.0%	78.7	1.3%	-18.3	-23.3%	38.9	0.9%	45.3	1.1%	-6.4	-14.1%
Intangible assets	137.3	2.4%	112.7	1.9%	24.6	21.8%	90.5	2.2%	83.0	2.0%	7.5	9.0%
Financial lease receivables – net of current portion	969.1	16.6%	675.6	11.3%	293.5	43.4%	963.3	23.0%	667.3	16.4%	296.0	44.4%
Deferred tax assets	67.3	1.2%	72.2	1.2%	-4.9	-6.8%	41.4	1.0%	46.6	1.1%	-5.2	-11.2%
Other non-current assets	127.1	2.2%	167.7	2.8%	-40.6	-24.2%	21.2	0.5%	31.8	0.8%	-10.6	-33.3%
Total non-current assets	**2,219.1**	**38.0%**	**1,978.6**	**33.1%**	**240.5**	**12.2%**	**1,702.2**	**40.7%**	**1,439.2**	**35.5%**	**263.0**	**18.3%**
Total assets	**5,836.8**	**100.0%**	**5,985.5**	**100.0%**	**-148.7**	**-2.5%**	**4,180.8**	**100.0%**	**4,059.7**	**100.0%**	**121.1**	**3.0%**

The Company and subsidiaries had total assets in the consolidated financial statements of Baht 5,836.8 million, decreased by Baht 148.7 million from the end of the year or 2.5%. Besides, the total assets in the separate financial statements of Baht 4,180.8 million, increased by Baht 121.1 million from the end of previous year or 3.0% due to:-

- Current assets in the consolidated financial statements decreased by Baht 389.2 million and the separate financial statements decreased by Baht 141.9 million as a result of:-

  - Cash and cash equivalents in the consolidated financial statements decreased by Baht 394.8 million and the separate financial statements decreased by Baht 256.6 million from the operating results and loan repayment to reduce interest costs.

  - Trade and other receivables in the consolidated financial statements decreased by Baht 207.4 million and the separate financial statements decreased by Baht 178.5 million mainly from the Company could collect debt more than last year. In the year 2021, the average collection period in the consolidated financial statements was 71 days and the separate financial statements was 58 days. The debt collection period was lower when compared to the previous year.

  - Current portion of financial lease receivables in the consolidated financial statements and the separate financial statements increased by Baht 371.3 million and Baht 368.5 million, respectively from the long-term lease contracts with government agencies and private sector.

  - Inventories in the consolidated financial statements decreased by Baht 162.5 million and the separate financial statements decreased by Baht 72.0 million from accelerating sale of product to support high demand at the end of the year. In the year 2021, the inventories turnover in the consolidated financial statements was 40 days and the separate financial statements was 28 days. It was lower than the previous year.

- Non-current assets in the consolidated financial statements increased by Baht 240.5 million and the separate financial statements increased by Baht 263.0 million as resulted from the new finance lease contracts signed during the year and intangible assets resulting from the development of internal group systems, such as data storage systems, in order to comply with the Personal Data Protection Act.

Analysis of Liabilities Structure

(Unit : Mil Baht)	Consolidated						Separate					
	31 December 2021		31 December 2020		Increase (Decrease)		31 December 2021		31 December 2020		Increase (Decrease)	
Current liabilities	3,337.8	96.9%	3,592.2	96.9%	-254.4	-7.1%	2,683.2	97.8%	2,606.4	97.6%	76.8	2.9%
Non-current liabilities	107.9	3.1%	115.3	3.1%	-7.4	-6.4%	59.4	2.2%	63.2	2.4%	-3.8	-6.0%
Total liabilities	**3,445.7**	**100.0%**	**3,707.5**	**100.0%**	**-261.8**	**-7.1%**	**2,742.6**	**100.0%**	**2,669.6**	**100.0%**	**73.0**	**2.7%**

Total liabilities of the Company and its subsidiaries in the consolidated financial statements of Baht 3,445.7 million, decreased of Baht 261.8 million from the end of the previous year or 7.1%, while total liabilities in the separate financial statements of Baht 2,742.6 million, increased by Baht 73.0 million from the end of the previous year or 2.7% due to:-

- Short-term loans from banks in the consolidated financial statements increased by Baht 44.2 million and the separate financial statements increased by Baht 128.7 million as a result of the financing arrangement for the Company's operations.

- Trade and other payables in the consolidated financial statements decreased by Baht 415.4 million and the separate financial statements decreased by Baht 232.6 million due to the repayment of debt during the year. In the year 2021, the average repayment period in the consolidated financial statements and the separate financial statements were 52 days.

- Finance lease liabilities in the consolidated financial statements decreased by Baht 21.0 million and the separate financial statements decreased by Baht 6.8 million due to the termination some of the building lease contracts.

- Other current liabilities in the consolidated financial statements increased by Baht 123.9 million and the separate financial statements increased by Baht 180.6 million from accrued project costs of IT project (ITPSBU) and system integration (SISBU).

 Analysis of Structure of Shareholders' Equity

(Unit : Mil Baht)	Consolidated						Separate					
	31 December 2021		31 December 2020		Increase (Decrease)		31 December 2021		31 December 2020		Increase (Decrease)	
Fully paid up capital	947.0	39.6%	947.0	41.6%	-	-	947.0	65.8%	947.0	68.1%	-	-
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	4.0%	96.5	4.2%	-	-	-	-	-	-	-	-
Statutory reserve	65.9	2.8%	61.2	2.7%	4.70	0.08	65.9	4.6%	61.2	4.4%	-	-
Retained earnings	1,281.2	53.6%	1,172.8	51.5%	108.4	9.2%	424.8	29.5%	381.4	27.4%	43.4	11.4%
Total shareholder's equity	**2,391.1**	**100.0%**	**2,278.0**	**100.0%**	**113.1**	**5.0%**	**1,438.2**	**100.0%**	**1,390.1**	**100.0%**	**48.1**	**3.5%**

Shareholders' equity of the Company and its subsidiaries in the consolidated financial statements was Baht 2,391.1 million, increased by Baht 113.1 million from the end of previous year or 5.0% resulted from profit by Baht 159.9 million. The separate financial statements Baht 1,438.2 million, increased by Baht 48.1 million from the end of previous year or 3.5% resulted from profit by Baht 95.4 million and including the announcement of an interim dividend of Baht 37.9 million.

Analysis of liquidity

(Unit : Mil Baht)	Consolidated			Separate		
	31 December 2021	31 December 2020	Increase (Decrease)	31 December 2021	31 December 2020	Increase (Decrease)
Net cash flows from (used in) operating activities	-314.7	279.2	-593.9	-307.6	-10.5	-297.1
Net cash flows used in investing activities	-45.0	-26.4	-18.6	-14.9	-67.2	52.3
Net cash flows from (used in) financing activities	-35.1	176.8	-211.9	65.9	240.7	-174.8
Net increase (decrease) in cash and cash equivalents	**-394.8**	**429.6**	**-824.4**	**-256.6**	**163.0**	**-419.6**

There were cash flows used in operations in the consolidated financial statements of Baht 314.7 million and the separate financial statements of Baht 307.6 million resulted from an increase in finance lease receivables and debt repayment. There were cash outflows from investment in the consolidated financial statements of Baht 45.0 million and the separate financial statements of Baht 14.9 million from the acquisition of office equipment, assets for lease and service, and computer software. Cash outflow from financing in the consolidated financial statements of Baht 35.1 million was due to dividend payment, while cash inflow of Baht 65.9 million in the separate financial statements was due to cash received from new loans.

Analysis of source of capital

The Group adheres to the concept of capital management to maintain a suitable capital structure to support its business activities and increasing the value of the shareholders' equity. The interest-bearing debt-to-equity ratio is used to manage the Group's capital structure in accordance with the short-term loan agreement obligations from bank. The details are as follows.

(Unit : Mil Baht)	Consolidated				Separate			
	31 December 2021	31 December 2020	Increase (Decrease)		31 December 2021	31 December 2020	Increase (Decrease)	
Interest bearing debt								
Short-term loans from banks	1,418.4	1,374.2	44.2	3.2%	1,238.8	1,110.2	128.6	11.6%
Lease liabilities	60.9	81.9	-21.0	-25.6%	38.7	45.5	-6.8	**-14.9%**
Total interest bearing debt	**1,479.3**	**1,456.1**	**23.2**	**1.6%**	**1,277.5**	**1,155.7**	**121.8**	**10.5%**
Total shareholders' equity	**2,391.1**	**2,278.0**	**113.1**	**5.0%**	**1,438.2**	**1,390.1**	**48.1**	**3.5%**
Total source of capital	**3,870.4**	**3,734.1**	**136.3**	**3.7%**	**2,715.9**	**2,545.8**	**170.1**	**6.7%**
Interest Bearing Debt to Equity ratio (times)	**0.6**	**0.6**	-	-	**0.9**	**0.8**	**0.1**	**10.0%**

- **Liabilities**
  As at December 31, 2021 and 2020, the Group has interest-bearing debt in the consolidated financial statements of Baht 1,479.3 million and Baht 1,456.1 million, respectively. The most of them were short-term loans from banks, with an increase in loan to support their project in the future.

- **Shareholders' equity**
  The shareholders' equity increased as a result of higher retained earnings and enhanced performance this year.

  The Group maintains the interest-bearing debt-to-equity ratio in the consolidated financial statements at 0.6 and the separate financial statements at 0.9, which is insignificant change from previous year.

Factor that may impact future operations

Source of capital is the most important aspect in supporting operations for future significant projects. The Company focus on effective financial management to debt repayment in accordance with cash collection in order to avoid affecting the liquidity and to maintain the debt-to-equity ratio at a level without financial risks

Analysis of key financial ratios

The current ratio of the Group in the consolidated financial statements was 1.1, and the separate financial statements had a current ratio of 0.9, which remained unchanged from the previous year. The Company and its subsidiaries retain and manage liquidity from operations.

The profitability ratio, the net profit margin ratio in the consolidated financial statements was 1.9% at year-end 2021 and 1.3% in the separate financial statements, while the return on equity in the consolidated financial statements was 6.9% and 6.8% in the separate financial statements, an increase from the previous year due to the increase in retained earnings.

The operating efficiency ratio, such as return on assets and return on fixed assets, increase from the previous year, indicating that the Group can operate more efficiently than the previous year.

The debt-to-equity ratio, the Group had a debt-to-equity ratio in the consolidated financial statements of 1.4 times, which was lower than last year. This was mainly due to an increase in shareholders' equity from higher retained earnings.

Performance and the ability to generate profits
Key financial ratios

		Consolidated			Separate		
		2021	2020	Increase (Decrease)	2021	2020	Increase (Decrease)
	Liquidity Ratios						
1	Current ratio (times)	1.1	1.1	**-**	0.9	1.0	**(0.1)**
2	Quick liquidity ratio (times)	0.9	0.9	**-**	0.7	0.8	**(0.1)**
3	Cash Cycle (Days)	59	74	**(15)**	34	45	**(11)**
4	Accounts receivable turnover (times)	5.2	4.6	**0.6**	6.3	5.8	**0.5**
5	Average debt collection period (Days)	71	80	**(9)**	58	62	**(4)**
6	Inventory turnover ratio (times)	9.1	7.7	**1.4**	13.2	11.1	**2.1**
7	Average sales period (Days)	40	47	**(7)**	28	33	**(5)**
8	Accounts payable turnover (times)	7.0	6.8	**0.2**	7.0	7.3	**(0.3)**
9	Average payment period (Days)	52	54	**(2)**	52	50	**2**
	Profitability Ratios						
1	Gross profit margin ratio (%)	9.6%	9.9%	**(0.3%)**	**7.3%**	7.1%	**0.2%**
2	Operating profit margin (%)	2.5%	2.4%	**0.1%**	1.9%	1.6%	**0.3%**
3	Net profit margin (%)	1.9%	1.8%	**0.1%**	1.3%	1.3%	**-**
4	Return on equity (%)	6.9%	6.1%	**0.8%**	6.8%	5.8%	**1.0%**
	Efficiency Ratios						
1	Return on asset (%)	2.7%	2.6%	**0.1%**	2.3%	2.3%	**-**
2	Return on fixed assets (%)	123.6%	109.1%	**14.5%**	89.6%	68.2%	**21.4%**
3	Asset turnover ratio (times)	1.5	1.4	**0.1**	1.8	1.8	**-**
	Financial Policy Ratios						
1	Debt to equity ratio[1] (times)	1.4	1.6	**(0.2)**	1.9	1.9	**-**
2	Debt ratio (times)	0.6	0.6	**-**	0.7	0.7	**-**
3	Dividend payout ratio	29.6%	27.3%	**2.3%**	49.6	46.4%	**3.2%**

[1] Debt to equity ratio calculated by total liabilities / total shareholders' equity

Please be informed accordingly.

Yours faithfully,

(Dr. Wilson Teo Yong Peng)
Authorized Director