

Re: Management Discussion & Analysis for the Period Ended 31 March 2022

To: The President of the Stock Exchange of Thailand (SET)

SISB PUBLIC COMPANY LIMITED (“the company”) would like to provide an explanation regarding our significant events, financial performance and position for the 3-month period ended 31 March 2022 as follows:

Significant Events

1. Impacts to the Company due to Coronavirus Disease 2019 (COVID-19) Pandemic

Year 2021

The COVID-19 pandemic is resulting in an economic slowdown. This situation affects the company’s business activities from the closure of the schools, following the announcement of the Ministry of Education, and the schools activated the Home-Based Learning during the following periods:

- From 11 January 2021 (Term 2 start date) to 31 January 2021
- From 18 April 2021 to 25 June 2021 (throughout the Term 3).
- From 30 August 2021 (Term 1 start date) to mid-September 2021 (Chiangmai) and October 2021 (Pracha-uthit, Suvarnabhumi and Thonburi).

And after the all schools opened, the schools still activated the hybrid learning, both at the schools (On-site) and Home-Based Learning, while strictly following the guidelines from the regulating agency. However, during the Home-Based Learning duration, the schools refunded snack and lunch fee during the closure period to the parents. The schools also provided one-time support discount to help parents for the first semester, academic year 2021-22.

Year 2022

The COVID-19 situation is unravelling and the schools is open by activate the hybrid learning, both at the schools (On-site) and Home-Based Learning. No one-time support discount is provided to the parents. However, if parent choose Home-Based Learning, the schools will refund snack and lunch fee to the parents.

2. Campus and Education Development

- The company commenced the construction of a new Secondary Building at Singapore International School Thonburi campus with a groundbreaking ceremony on 17 July 2020. The building was completed by February 2022.

- The company has commenced the construction of a new campus, Singapore International School Nonthaburi, which is located in Changwatthana-Ratchaphruk area with a groundbreaking ceremony on 10 March 2022. This campus would accept students from Nursery-Kindergarten to Secondary levels. The construction is divided into two phases, with the first phase comprises of Nursery-Kindergarten and Primary levels, and the second phase comprises of Secondary levels. The company expected that the first phase would be ready by August 2023, which was delayed from the previously planned by a year, due to COVID-19 situation.

• The company entered into a land purchased agreement in Rayong Province in December 2021. The company will develop to be the Sixth's School of the Group and expected to open in August 2023.

Financial Performance

Statement of Financial Position	Consolidated financial statement for 3-month period					
	31 March 2021		31 March 2022		Change	
	Million THB	%	Million THB	%	Million THB	%
<u>Revenues</u>						
Tuition fees and services income	291.03	98.33	283.16	98.22	(7.87)	(2.70)
Education equipment income	1.23	0.42	1.43	0.50	0.20	16.40
Other income	3.70	1.25	3.71	1.28	0.01	0.28
Total revenues	295.96	100.00	288.30	100.00	(7.66)	(2.59)
<u>Expenses</u>						
Tuition and services cost	147.85	49.96	144.60	50.16	(3.25)	(2.20)
Administrative expenses	72.52	24.50	75.29	26.11	2.77	3.82
Other expenses	0.05	0.02	0.09	0.03	0.04	81.90
Total expenses	220.42	74.48	219.98	76.30	(0.44)	(0.20)
Share of profit (loss) from investment accounted for under equity method	0.50	0.17	0.31	0.11	(0.19)	(37.77)
Finance revenue	1.12	0.38	0.84	0.29	(0.28)	(25.45)
Finance cost	6.53	2.21	6.22	2.16	(0.31)	(4.77)
Profit before income tax expense	70.63	23.86	63.25	21.94	(7.38)	(10.45)
Income tax expenses (revenue)	0.03	0.01	0.05	0.02	0.02	59.53
Profit for the period	70.60	23.85	63.20	21.92	(7.40)	(10.48)

Revenue

The Company's revenue for the 3-month period ended 31 March 2021 and 2022 were THB 295.96 million and THB 288.30 million respectively. Revenue decreased by THB 7.66 million or 2.59%. The summary is as follows:

Total revenues	Jan.-Mar. 2021		Jan.-Mar. 2022		Change	
	Million THB	%	Million THB	%	Million THB	%
Tuition fees and services income	291.03	98.33	283.16	98.22	(7.87)	(2.70)
Education equipment income	1.23	0.42	1.43	0.50	0.20	16.40
Other income	3.70	1.25	3.71	1.28	0.01	0.28
Total revenues	295.96	100.00	288.30	100.00	(7.66)	(2.59)

Revenues from sales and services

Revenues from sales and services of the company for 3-month period ended 31 March 2021 and 2022 were THB 292.26 million and THB 284.59 million respectively. Revenues from sales and services consist of Tuition fees and services income and Education equipment income which accounted for 99.50% and 0.50% of revenues from sales and services in 3-month period 2021 respectively.

Revenues from sales and services	Jan.-Mar. 2021		Jan.-Mar. 2022		Change	
	Million THB	%	Million THB	%	Million THB	%
1. Tuition fees and services income						
- Tuition fees income	276.92	94.75	268.09	94.20	(8.83)	(3.19)
- Application and enrolment fee incomes	14.11	4.83	15.07	5.30	0.96	6.76
Total Tuition fees and services incomes	291.03	99.58	283.16	99.50	(7.87)	(2.70)
2. Education equipment income	1.23	0.42	1.43	0.50	0.20	16.40
Revenues from sales and services	292.26	100.00	284.59	100.00	(7.67)	(2.62)

1) Tuition fees and services income

Tuition fees and services income consists of Tuition fee income and Application and enrolment fee income.

The detail is as follows:

1.1) Tuition fee income

Tuition fee income for Q1'2021 and 2022 was THB 276.92 million and THB 268.09 million respectively, decreasing by 3.19% mainly came from snack & lunch income and after-school activities income decreased due to hybrid learning. However, average tuition fee income per student increased to THB 0.46 million per student or 1.33% from same period of last year.

1.2) Application and enrolment fee incomes

Application and enrolment fee incomes of the company for Q1'2021 and 2022 were THB 14.11 million and THB 15.07 million respectively. Application and enrolment fee increased by 6.76% from the same period of previous year.

2) Education equipment income

Education equipment income for Q1'2021 and 2022 were THB 1.23 million and THB 1.43 million respectively. Education equipment income increased by THB 0.20 million or 16.40%.

Other incomes

Other incomes for the Q1'2021 and 2022 were THB 3.70 million and THB 3.71 million respectively. Other incomes mainly consisted of income from food and beverage, income from short-term investment and credit card fee income.

Costs and Expenses

Costs and expenses of the company consist of tuition and services cost, administrative expenses, other expenses, and finance cost. Costs and expenses for Q1'2021 and 2022 were THB 226.95 million and THB 226.20 million respectively, which accounted for 76.68% and 78.46% of total revenue.

Costs and Expenses	Jan.-Mar. 2021		Jan.-Mar. 2022		Change	
	Million THB	%	Million THB	%	Million THB	%
Tuition and services cost	147.85	65.15	144.60	63.93	(3.25)	(2.20)
Administrative expenses	72.52	31.95	75.29	33.28	2.77	3.82
Other expenses	0.05	0.02	0.09	0.04	0.04	81.90
Finance Cost	6.53	2.88	6.22	2.75	(0.31)	(4.77)
Total costs and expenses	226.95	100.00	226.20	100.00	(0.75)	(0.33)
% to total revenues		76.68		78.46		

Tuition and services cost

Tuition and services cost were the major component of the company's total cost. For Q1'2021 and 2022, tuition and services cost were THB 147.85 million and THB 144.60 million respectively, decreasing by THB 3.25 million or 2.20%. Tuition and services cost consisted of cost of education and cost of building management, the detail is as follows:

Cost of Education

The company reported cost of education at THB 97.51 million for Q1'2022 decreased from THB 101.06 million in the same period of previous year. The cost decreased related to decreasing in tuition fees income. However, cost of education to revenue from sales and services decreased from 34.58% in the 3-month period of 2021 to 34.26% in the 3-month period of 2022, due to the company's ability to manage utilization of resource of teachers effectively.

Cost of Building Management

Cost of building management for Q1'2022 was THB 47.09 million. The cost increased from the same period of the previous year at THB 46.80 million. Cost of building management to Tuition fee and service income was at 16.55% for Q1'2022 which increased from 16.01% at the same period of the previous year. This was because the company start to depreciate Secondary Building at Singapore International School Thonburi campus.

Administrative expenses

The company reported administrative expenses at THB 75.29 million which is 26.12% of total revenue. The expenses consisted of employee related expenses which amounted to THB 54.78 million. Administrative expenses to total revenue increased from 24.50% to 26.12%, due to increase in employee related expenses to support Secondary Building at Singapore International School Thonburi campus.

Finance cost

The company reported finance cost at THB 6.22 million in Q1'2022 which decreased from the same period of last year at THB 6.53 million mainly due to decreasing in financial cost of lease contracts.

Share of profit (loss) from investment accounted for under equity method

For 3-month period ended 31 March 2021 and 2022, SISB-SIRI which included Singapore International School Chiangmai, reported net income of THB 0.99 million and THB 0.62 million respectively. Therefore, the company

realized share of profit from investment accounted for under equity method amounted to THB 0.50 million and THB 0.31 million in March 2021 and 2022, respectively.

Net income

The company reported net income of THB 63.20 million, with net profit margin at 21.92%, a decrease from the same period of previous year of THB 70.60 million. The decrease in net profit was due to the decrease in the revenue, lower in gross profit margin and most administrative expenses of the Company are fixed.

Financial Position

Financial Position	31 December 2021		31 March 2022		Change	
	Million THB	%	Million THB	%	Million THB	%
Total assets	3,333.70	100.00	3,411.68	100.00	77.98	2.34
Total liabilities	1,319.23	39.57	1,334.01	39.10	14.78	1.12
Total shareholders' equity	2,014.47	60.43	2,077.67	60.90	63.20	3.14

Total assets

As at 31 March 2022, The company's total assets increased from the balance as at 31 December 2021 by THB 77.98 million or 2.34%. Significant changes mainly came from the following items:

- Cash and cash equivalent increased by THB 210.13 million. Significant movements were as follows:
 - o Cash paid for acquiring property, plant and equipment of THB 27 million.
 - o Convert from mature fixed deposits into cash THB 225.06 million.
 - o Other net cash receipts of THB 12.07 million, which mainly came from proceeds from tuition fee collection during the period.
- Trade and Other receivables increased THB 27.09 million. This is because in March 2022, the company issued invoices to collect tuition fees for the third term, which would begin in April 2022.
- Other current financial assets decreased by THB 225.06 million. This is because of the mature fixed deposit during the period. As at 31 March 2022, The company has other current financial assets of THB 293.27 million.
- Property, plant and equipment increased by THB 14.17 million. The movements were as follows:
 - o Building and equipment increased by THB 44.34 million mainly came from the acquisition of equipment at Singapore International School Thonburi
 - o Depreciation during the period of THB 31.76 million.
 - o Other movements increased by THB 1.60 million.
- Other non-current assets increased by THB 67.39 million, which mainly came from advance payments of construction of NR Campus.

Total liabilities

As at 31 March 2022, The company's total liabilities increased from the balance as at 31 December 2021 by THB 14.78 million or 1.12%. Significant changes mainly came from the following items:

- Trade and other payables increased by THB 3.65 million, mainly came from construction account payable and accrued bonus of the year 2022.
- Deferred income increased by THB 5.69 million, mainly came from receiving tuition fee for the third semester of academic year 2021/2022.
- Deposit from students increased by THB 4.17 million, which mainly came from the deposit from new students during the period.

Total shareholders' equity

At the end of March 2022, total shareholders' equity was at THB 2,077.67 million, which increased by THB 63.20 million or 3.14% from net profit for 3-month period ended 31 March 2022.

Please be informed accordingly.

Yours Sincerely,

Mr. Yew Hock Koh

Chief Executive Officer