

26 July 2022

Re: Management Discussion and Analysis (MD&A) for the Year Ended 31 December 2021

To the President of the Stock Exchange of Thailand

Chic Republic Public Company Limited (“**the Company**”) would like to provide our MD&A based on our audited financial statements for the Year 2021 as follows:

Consolidated Financial Statements	Consolidated Financial Statements for the Year Ended		Change	
	31 December 2020	31 December 2021	Millions of THB	%
	Millions of THB	Millions of THB		
Total revenue	707.71	674.07	(33.64)	(4.75%)
Merchandise sales and service revenue	702.58	664.98	(37.60)	(5.35%)
Cost of sales and service	331.73	316.38	(15.35)	(4.63%)
Gross profit	370.85	348.60	(22.25)	(6.00%)
Earnings before interest and tax	71.02	59.93	(11.09)	(15.62%)
Net profit for the year	34.15	19.28	(14.87)	(43.54%)
EPS (THB)	0.03	0.02	(0.01)	(33.33%)
Total assets	1,869.77	1,835.66	(34.11)	(1.82%)
Total liabilities	1,263.07	1,231.12	(31.95)	(2.53%)
Total shareholders' equity	606.70	604.54	(2.16)	(0.36%)

Total revenue for the Year 2021 declined by THB 33.64 million or 4.75% from the Year 2020 while merchandise sales and service revenue for the Year 2021 fell by THB 37.60 million or 5.35% from the Year 2020. Slump in total revenue and merchandise sales and service revenue were due to implementation of governmental measures aimed to curb domestic Covid-19 pandemic during the year. The government also temporarily suspend construction activities in all construction sites in Bangkok during July 2021 and asked for temporary shutdown of physical store operations of many businesses for the period from 20 July to 31 August 2021. The Company was thus unable to provide furniture installation services for all construction projects it was in charge for the period of 1 month. The Company also needed to temporarily shut down physical store operations for all its 5 stand-alone stores. This thus adversely affected its merchandise and service revenue during the year.

Gross profit for the Year 2021 fell by THB 22.25 million or 6.00% from the Year 2020 due to declining merchandise sales and service revenue. Gross profit margin for the Year 2021 however did not deviate significantly from the preceding year.

Selling and distribution expense of the Company for the Year 2021 rose by THB 12.74 million or 8.78% from 2020 as its sales & promotional expenses as well as transportation cost were heavily spent during the period from August to December 2021 to stimulate sales in response to resumption of its physical store activities after the governmental lockdown was eased. Cost related to platform merchandise sales also rose in response to increasing online sales.

Administrative expense for the Year 2021 fell by THB 19.96 million or 12.49% from 2020 due mainly to temporary shutdown of the Company's physical stores operation amidst Covid-19 pandemic. The Company's administrative expense such as personnel expense, overtime payment and utilities expense thus declined. The Company also reversed some of its bad debt allowances as some of which could be re-collected.

Net profit for the Years 2020 and 2021 stood at THB 34.15 and 19.28 million consecutively. Net profit for the Year 2021 fell by THB 14.87 million or 43.54% from 2020. Net profit margin for the Years 2020 and 2021 stood at 4.83% and 2.86% consecutively. Its EPS for the Years 2020 and 2021 was THB 0.03 and 0.02 consecutively.

Total assets as of 31 December 2021 reduced by THB 34.11 million or 1.82% from 31 December 2020 as its property and equipment was depreciated and right-of-use assets were amortized during the year.

Total liabilities as of 31 December 2021 declined by THB 31.95 million or 2.53% from 31 December 2020 as some of its bank loans were repaid and lease liabilities were satisfied during the year.

Shareholders' equity as of 31 December 2021 fell by THB 2.16 million or 0.36% from 31 December 2020 due mainly to dividend payment during the year and declining operating profit.

Please be informed accordingly.

Miss Piyanuch Nakayodhin

Chief Financial Officer

Chic Republic Public Company Limited