15th August 2022

Subject: To submit Management Discussion and Analysis for the 2nd Quarter ended 30 June 2022

To: Managing Director
The Stock Exchange of Thailand

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

In the 2nd Quarter of 2022, the consolidated financial statements shown the net profit of Baht 30.6 million, decrease by Baht 0.5 million from the same quarter of previous year or 1.6%. The separate financial statements shown the net profit of Baht 60.2 million, increase by Baht 49.9 million from the same quarter of previous year or 484.5% due to dividend received from associated companies.

(Unit : Mil Baht)	Consolidated Financial Statements						Separate Financial Statements					
	2022		2021		Increase (Decrease)		2022		2021		Increase (Decrease)	
Total revenues	1,860.0	100.0%	1,924.1	100.0%	-64.1	-3.3%	1,511.1	100.0%	1,555.4	100.0%	-44.3	-2.8%
Total expenses	-1,813.1	-97.5%	-1,895.6	-98.5%	-82.5	-4.4%	-1,445.7	-95.7%	-1,541.8	-99.1%	-96.1	-6.2%
Share of profit (loss) from investments in associated companies and joint ventures	-6.3	-0.3%	10.8	0.6%	-17.1	-158.3%	-	-	-	-	-	-
Finance income	8.5	0.5%	9.2	0.5%	-0.7	-7.6%	8.4	0.6%	9.0	0.6%	-0.6	-6.7%
Finance cost	-9.9	-0.5%	-8.4	-0.4%	1.5	17.9%	-8.7	-0.6%	-6.4	-0.4%	2.3	35.9%
Income tax	-8.6	-0.5%	-9.0	-0.5%	-0.4	-4.4%	-4.9	-0.3%	-5.9	-0.4%	-1.0	-16.9%
Profit for the period	**30.6**	**1.6%**	**31.1**	**1.6%**	**-0.5**	**-1.6%**	**60.2**	**4.0%**	**10.3**	**0.7%**	**49.9**	**484.5%**
Other comprehensive income	-	-	-	-	-	-	-	-	-	-	-	-
Total comprehensive income for the period	**30.6**	**1.6%**	**31.1**	**1.6%**	**-0.5**	**-1.6%**	**60.2**	**4.0%**	**10.3**	**0.7%**	**49.9**	**484.5%**

□ **Analysis of Revenue Structure**

(Unit : Mil Baht)	Consolidated Financial Statements						Separate Financial Statements					
	2022		2021		Increase (Decrease)		2022		2021		Increase (Decrease)	
Revenue from contracts with customers	1,788.3	96.1%	1,888.6	98.2%	-100.3	-5.3%	1,418.8	93.9%	1,517.1	97.5%	-98.3	-6.5%
Other income	71.7	3.9%	35.5	1.8%	36.2	102.0%	92.3	6.1%	38.3	2.5%	54.0	141.0%
Total revenues	**1,860.0**	**100.0%**	**1,924.1**	**100.0%**	**-64.1**	**-3.3%**	**1,511.1**	**100.0%**	**1,555.4**	**100.0%**	**-44.3**	**-2.8%**

Total revenues of the Company and its subsidiaries in the consolidated financial statements of Baht 1,860.0 million, decreased by Baht 64.1 million from the same quarter of previous year or 3.3% and total revenues in the separate financial statements of Baht 1,511.1 million, decreased by Baht 44.3 million from the same quarter of previous year or 2.8%.

- Revenue from contracts with customers in the consolidated financial statements decreased by Baht 100.3 million from the same quarter of previous year or 5.3%. The separate financial statements decreased by Baht 98.3 million from the same quarter of previous year or 6.5%, as a result of the decreased in System Integration (SISBU) revenue. However, IT Distribution (ITDSBU) revenue has increased, as remote working and distance learning become the new normal for remote working and online study. In addition, the increased in demand for IT components.

- Other income in the consolidated financial statements increased by Baht 36.2 million from the same quarter of previous year or 102.0% due to there have been reversal the estimation costs of projects that were completed. Besides, the separate financial statements increased by Baht 54.0 million from the same quarter of previous year or 141.0% due to the dividend received from IT City Public Co., Ltd in the separate financial statements under cost method.

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□ **Analysis of Expenditure Structure**

(Unit : Mil Baht)	Consolidated Financial Statements						Separate Financial Statements					
	2022		2021		Increase (Decrease)		2022		2021		Increase (Decrease)	
Cost of sales and services	1,622.3	89.5%	1,687.4	89.0%	-65.1	-3.9%	1,316.6	91.1%	1,393.0	90.3%	-76.4	-5.5%
Selling and distribution expenses	141.3	7.8%	135.3	7.1%	6.0	4.4%	88.3	6.1%	84.7	5.5%	3.6	4.3%
Administrative expenses	51.2	2.8%	53.0	2.8%	-1.8	-3.4%	44.3	3.1%	45.2	2.9%	-0.9	-2.0%
Impairment loss on financial assets (reversal)	-4.6	-0.3%	2.6	0.1%	-7.2	-276.9%	-6.4	-0.4%	1.6	0.1%	-8.0	-500.0%
Unrealized loss on change in fair value of derivative	2.9	0.2%	17.3	0.9%	-14.4	-83.2%	2.9	0.2%	17.3	1.1%	-14.4	-83.2%
Total expenses	**1,813.1**	**100.0%**	**1,895.6**	**100.0%**	**-82.5**	**-4.4%**	**1,445.7**	**100.0%**	**1,541.8**	**100.0%**	**-96.1**	**-6.2%**

Total expenses in the consolidated financial statements decreased by Baht 82.5 million from the same quarter of previous year or 4.4%. The separate financial statements decreased by Baht 96.1 million from the same quarter of previous year or 6.2% due to:-

- Cost of sales and services in the consolidated financial statement decreased by Baht 65.1 million or 3.9% and the separate financial statements decreased by Baht 76.4 million or 5.5% in accordance with the proportion of sales and services.

- Unrealized loss on change in fair value of derivative in the consolidated financial statements decreased by Baht 14.4 million or 83.2% and the separate financial statements both decreased by the same amount as a result of recognize warrants of Lease IT (LIT) as the market price at the date of the end of the quarter.

□ **Analysis of Profit Structure**

In this quarter, profit before income tax expenses in the consolidated financial statements of Baht 39.2 million, decreased by Baht 0.9 million or 2.1% from the same quarter of previous year. Besides, profit before income tax expenses in the separate financial statements of Baht 65.1 million, increased by Baht 48.9 million or 301.6% from the same quarter of previous year. Income tax expenses in the consolidated financial statements of Baht 8.6 million and income tax expenses in the separate financial statements of Baht 4.9 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.

Financial Status

Analysis of Asset Structure

(Unit : Mil Baht)	Consolidated Financial Statements						Separate Financial Statements					
	30 June 2022		31 December 2021		Increase (Decrease)		30 June 2022		31 December 2021		Increase (Decrease)	
Total current assets	**4,099.1**	**65.7%**	**3,617.7**	**62.0%**	**481.4**	**13.3%**	**2,945.3**	**63.8%**	**2,478.6**	**59.3%**	**466.7**	**18.8%**
Other non-current financial assets	22.9	0.4%	19.0	0.3%	3.9	20.5%	19.1	0.4%	15.7	0.4%	3.4	21.7%
Investment in subsidiary companies	-	-	-	-	-	-	119.2	2.6%	119.2	2.9%	-	-
Investment in associated companies	710.0	11.4%	648.9	11.1%	61.1	9.4%	353.5	7.7%	258.4	6.2%	95.1	36.8%
Investment in joint ventures	6.5	0.1%	7.2	0.1%	-0.7	-9.7%	-	-	-	-	-	-
Property, plant and equipment	190.5	3.1%	182.8	3.1%	7.7	4.2%	159.1	3.4%	153.5	3.7%	5.6	3.6%
Right-of-use assets	48.4	0.8%	60.4	1.0%	-12.0	-19.9%	31.9	0.7%	39.0	0.9%	-7.1	-18.2%
Intangible assets	129.6	2.1%	137.2	2.4%	-7.6	-5.5%	84.3	1.8%	90.5	2.2%	-6.2	-6.9%
Financial lease receivables – net of current portion	845.9	13.6%	969.1	16.6%	-123.2	-12.7%	844.2	18.3%	963.3	23.0%	-119.1	-12.4%
Deferred tax assets	54.8	0.9%	67.4	1.2%	-12.6	-18.7%	30.8	0.7%	41.4	1.0%	-10.6	-25.6%
Other non-current assets	129.9	2.1%	127.1	2.2%	2.8	2.2%	31.9	0.7%	21.2	0.5%	10.7	50.5%
Total non-current assets	**2,138.5**	**34.3%**	**2,219.1**	**38.0%**	**-80.6**	**-3.6%**	**1,674.0**	**36.2%**	**1,702.2**	**40.7%**	**-28.2**	**-1.7%**
Total assets	**6,237.6**	**100.0%**	**5,836.8**	**100.0%**	**400.8**	**6.9%**	**4,619.3**	**100.0%**	**4,180.8**	**100.0%**	**438.5**	**10.5%**

The Company and subsidiaries had total assets in the consolidated financial statements of Baht 6,237.6 million, increased by Baht 400.8 million from the end of the year or 6.9% and had the total assets in the separate financial statements of Baht 4,619.3 million, increased by Baht 438.5 million from the end of previous year or 10.5% due to:-

- Current assets in the consolidated financial statements increased by Baht 481.4 million and the separate financial statements increased by Baht 466.7 million as a result of:-

  - Trade and other receivables in the consolidated financial statements increased by Baht 180.6 million and the separate financial statements increased by Baht 77.2 million in accordance with the proportion of sales from IT Distribution (ITDSBU). In this quarter, the average collection period in the consolidated financial statements was 77 days and the separate financial statements was 59 days. The reason for the long debt collection due to the fact that most of the debtors were government agencies and financial institutions requiring processes of acceptance and payment.

  - Inventories in the consolidated financial statements increased by Baht 254.3 million and the separate financial statements increased by Baht 284.0 million in order to support their orders in the next quarter. In this quarter, the inventories turnover in the consolidated financial statements was 57 days and the separate financial statements was 48 days, respectively.

- Non-current assets in the consolidated financial statements decreased by Baht 80.6 million and the separate financial statements decreased by Baht 28.2 million as a result of the decreased in finance lease receivable related to repayment period.

- **Analysis of Liabilities Structure**

(Unit : Mil Baht)	Consolidated Financial Statements						Separate Financial Statements					
	30 June 2022		31 December 2021		Increase (Decrease)		30 June 2022		31 December 2021		Increase (Decrease)	
Current liabilities	3,726.0	97.3%	3,337.8	96.9%	388.2	11.6%	3,095.1	98.3%	2,683.2	97.8%	411.9	15.4%
Non-current liabilities	102.9	2.7%	107.9	3.1%	-5.0	-4.6%	55.1	1.7%	59.4	2.2%	-4.3	-7.2%
Total liabilities	**3,828.8**	**100.0%**	**3,445.7**	**100.0%**	**383.1**	**11.1%**	**3,150.2**	**100.0%**	**2,742.6**	**100.0%**	**407.6**	**14.9%**

Total liabilities of the Company and its subsidiaries in the consolidated financial statements of Baht 3,828.8 million, increased of Baht 383.1 million from the end of the previous year or 11.1% and total liabilities in the separate financial statements of Baht 3,150.2 million, increased by Baht 407.6 million from the end of the previous year or 14.9% due to:-

- Short-term loans from banks in the consolidated financial statements increased by Baht 343.0 million and the separate financial statements increased by Baht 387.6 million due to bank loans for operations.

- Trade and other payables in the consolidated financial statements decreased by Baht 142.2 million and the separate financial statements decreased by Baht 119.5 million. Repayment period in the consolidated financial statements was 50 days and the separate financial statements was 55 days, respectively.

□ **Analysis of Structure of Shareholders' Equity**

(Unit : Mil Baht)	Consolidated Financial Statements						Separate Financial Statements					
	30 June 2022		31 December 2021		Increase (Decrease)		30 June 2022		31 December 2021		Increase (Decrease)	
Fully paid up capital	947.0	39.3%	947.0	39.6%	-	-	947.0	64.5%	947.0	65.8%	-	-
Par value surplus	0.5	-	0.5	-	-	-	0.5	-	0.5	-	-	-
Premium on shares of an associated company	96.5	4.0%	96.5	4.0%	-	-	-	-	-	-	-	-
Statutory reserve	66.0	2.7%	66.0	2.8%	-	-	66.0	4.5%	66.0	4.6%	-	-
Retained earnings	1,298.8	53.9%	1,281.1	53.6%	17.7	1.4%	455.6	31.0%	424.7	29.5%	30.9	7.3%
Total shareholder's equity	**2,408.8**	**100.0%**	**2,391.1**	**100.0%**	**17.7**	**0.7%**	**1,469.1**	**100.0%**	**1,438.2**	**100.0%**	**30.9**	**2.1%**

Shareholders' equity of the Company and its subsidiaries in the consolidated financial statements was Baht 2,408.8 million, increased by Baht 17.7 million from the end of previous year or 0.7% resulted from profit by Baht 30.6 million and the separate financial statements Baht 1,469.1 million, increased by Baht 30.9 million from the end of previous year or 2.1% from profit by Baht 60.2 million.

Please be informed accordingly.

Yours faithfully,

(Dr. Wilson Teo Yong Peng)
Authorized Director