



February 28, 2022

**Subject: Management discussion and analysis for the year ended December 31, 2021**  
**Attention: The President,**  
**The Stock Exchange of Thailand**

Vintcom Technology Public Company Limited (the “Company”) would like to submit the management discussion and analysis of the Company’s and its subsidiaries’ results of operations for the year ended December 31, 2021. In addition, the Company would also like to provide clarification regarding changes of the Company and its subsidiaries’ operating results more than 20% compared to the same period of last year.

**Operating results**

Operating results of the Company and its subsidiaries (Unit : Million Baht)	Q4/2021	Q4/2020	Changes +/-	YE 2021	YE 2020	Changes +/-
Revenue from sales and services	350	457	(23.4%)	1,857	2,283	(18.7%)
<b>Gross profit</b>	<b>85</b>	<b>88</b>	<b>(3.0%)</b>	<b>402</b>	<b>415</b>	<b>(3.1%)</b>
Other income	4	3	46.7%	20	10	98.7%
Share of profit of associate	14	(0.3)	>100%	16	(0.3)	>100%
Distribution costs	(16)	(13)	17.9%	(53)	(57)	(6.1%)
Administrative expenses	(39)	(78)	(48.9%)	(193)	(227)	(15.1%)
Impairment gain (loss)	1	(2)	>100%	1	(11)	>100%
Finance costs	(2)	(2)	22.0%	(8)	(5)	53.3%
<b>Profit (loss) before tax</b>	<b>47</b>	<b>(4)</b>	<b>&gt;100%</b>	<b>186</b>	<b>125</b>	<b>48.9%</b>
Net profit (loss) after tax	33	(1)	>100%	147	106	46.4%
Non-controlling interests	(6)	(2)	146.1%	(21)	(16)	29.6%
<b>Net profit (loss) of parent company</b>	<b>27</b>	<b>(3)</b>	<b>&gt;100%</b>	<b>126</b>	<b>90</b>	<b>49.4%</b>
<b>Gross profit margin</b>	24.4%	19.3%		21.7%	18.2%	
<b>Net profit margin</b>	7.7%	(0.7%)		6.7%	3.9%	

Revenue from sales and services for Q4/2021 was decreased from Q4/2020 though gross profit margin for Q4/2021 was higher than that of Q4/2020 and the Company incurred a THB 35 million net profit in Q4/2021 (THB 3 million net loss in Q4/2020). The main reasons are as follows:

- In Q4/2021 M Intelligence Co., Ltd. raised funds to finance its business expansion by way of a capital increase. The Company waived rights to subscribe for these new shares, to allow the New Investors to subscribe for all of these new shares at a price of Baht 600 per share, totaling Baht 71.80 million. Following the waive of right pertaining to new shares subscription, the Company’s shareholding in M Intelligence Co., Ltd. decreased from 22% to 18.34%. The Company also recognized gain from an increase in the associate’s net assets, in proportion to the Company’s shareholding, amounting to Baht 13.01 million, included in share of profit of associate.



- Moreover, in Q4/2020 the Company recognized loss from changes in fair value of the consideration paid for business acquisition amounting to THB 16.8 million (net of tax) included in administrative expenses, and THB 9.6 million loss (net of tax) relating to cancellation of purchase orders by a customer included in cost of sales, that led to net loss THB 3 million in Q4/2020.

However, the Company's overall operating results for the fiscal year 2021 tremendously increased from 2020. Revenue from sales and services was decreased 18.7% , but net profit was 49.4% higher than last year.

More details analysis are discussed below.

#### 1. Revenue from sales and services

For the year 2021 revenue was THB 1,857 million, a decrease of THB 426 million, or 18.7% from 2020. Revenue decreased due to slow down in domestic and revenue from Cambodia and Myanmar was decreased 54% from last year.

#### 2. Gross profit

For the year 2021, gross profit was THB 402 million (2020: 415 Million Baht). Gross profit margin was 21.7% (2020: 18.2%), resulted from the increase in proportion to revenue from services which got high gross profit margin. The proportion of services revenue increased from 26% to 34% of total revenue in this year.

#### 3. Distribution costs

In 2021, distribution costs was THB 53 million, 6.1% decrease from last year was a result of cost reduction and control measures in respect of staff expense, commission and marketing expenses. Distribution costs was 2.9% of revenue in 2021 (2020: 2.5%).

#### 4. Administrative expenses

Administrative expenses of 2021 was THB 192 million, 15.1% decrease from 2020 which was THB 227 million due to expenses control. Moreover, administrative expenses of 2020 also included losses from changes in fair value of the consideration paid for the business acquisition of THB 21 million. In general, the administrative expenses consisted of staff expense, rental and office-facility service expenses, depreciation and amortization. The administrative expenses was 10.3% of total revenue, which was the same as last year (9.9% in 2020)

#### 5. Net profit and Net profit margin

Net profit was THB 127 million, an increase of THB 37 million or 41% from 2020. The net profit margin for 2021 was 6.7% (2020: 3.9%).



## Financial Position

### Assets

A majority of assets were account receivables and other receivables, goodwill and cash and cash equivalent. Total assets as at December 31, 2021 and 2020 were THB 1,285 million. The decrease in total assets by THB 176 million, or 12% mainly from 2020 was mainly from the decreasing of cash in settlement account payable and decreasing in account receivables.

Cash and cash equivalent as at December 31, 2021 and 2020 was THB 170 million and THB 285 million, respectively. Account receivables and other current receivables as at December 31, 2021 and 2020 were THB 552 million and THB 738 million, respectively. The decrease in these receivables by THB 188 million was resulted from receiving from big projects.

Investment in associates as at December 31, 2021 and 2020 was THB 33 million and THB 17 million, respectively. This was the investment in 18% equity interest in M Intelligence (2020: 22%). The increase THB 16 million was due to share of profit of associate and gain from an increase in the associate's net assets.

Goodwill amounting to THB 210 million arose from purchase of 100% shares of I-Secure.

### Liabilities

82% of total liabilities was current and consisted of trade and other current payables, contract liabilities and short-term borrowings from financial institutions. A significant amount of non-current liabilities was trade and other current payables and the provisions for employee benefits. Total liabilities as at December 31, 2021 were THB 672 million. The THB 284 million decrease in total liabilities, or 29.7% from 2020, was mainly due to settlement for short-term loans from financial institutions and business acquisition payable.

### Shareholders' Equity

Total shareholders' equities as at December 31, 2021 and 2020 were THB 561 million and THB 451 million, respectively. The increase THB 110 million was due to net profit for 2021 amounting to THB 126 million, dividend paid during the year amounting to THB 61 million and capital increasing THB 40 million by issuance of 7,005,200 new ordinary shares of the Company with a par value of Baht 0.50 per share at the offering price of Baht 5.71 per share for the final installment of share payment according to the agreement on acquisition of shares in I-Secure Co., Ltd.

Please be informed accordingly.

Yours Sincerely,

(Mrs. Songsri Srirungroungjit)  
Managing Director  
Vintcom Technology Public Company Limited