

## Management Discussion & Analysis. (MD&A Q3/2021)

Kingsmen C.M.T.I. Public Company Limited.

November 15, 2021.

Discussion and analysis of operations for the quarter ended September 30, 2021.

Attention: Director and Manager of the Stock Exchange of Thailand.

Kingsmen Company C.M.T.I. Public Company Limited ("the Company") would like to clarify the operating results for the quarter ended September 30, 2021 which the income and net profit (loss) have changed more than 20% compared to the same period of the previous year. Figures according to the table are as follows.

Unit : Mil Baht

Consolidated	H1-21		Q3-21		9Ms-21		H1-20		Q3-20		9Ms-20		#YoY (Q3/21#Q3/20) Inc./Dec.	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
	Service Income	336.49		156.00		492.49		214.39		183.84		398.23		-27.84
Cost of Service	312.86	93%	133.26	85%	446.12	91%	222.29	104%	174.78	98%	397.07	95%	-41.52	-24%
Gross (Loss) Profit	23.63	7%	22.74	15%	46.37	9%	-7.90	-4%	9.06	2%	1.16	5%	13.68	151%
Net After Tax	-28.64	-9%	-1.98	-1%	-30.62	-6%	-79.62	-37%	-15.61	-31%	-95.23	-8%	13.63	-87%

Service income of 156.00 million baht, a decreased of -15% y-y, mainly due to the exhibitions and events had very little sales in the 3<sup>rd</sup> quarter. Although the government had reduced the level of austerity with the release of some lockdowns at the end of the quarter (Cancel curfew, announced the opening of the country in early November) causing sales are still unable to come in this quarter. However, it is expected to be able to organize events such as Motor Expo and other activities (which have been suspended / delayed for a long time.) in the 4<sup>th</sup> quarter.

For the interior, revenue is recognized continuously from the previous job according to the success of the work by trying to speed up the work to be completed in time and the jobs obtained from bidding will start working in the 4<sup>th</sup> quarter onwards.

Cost of services 133.26 million baht, decreased -24% y-y in proportion to the decrease in revenue. For this quarter, gross profit was 22.74 million baht, an increase from the same quarter of the previous year. Because during the same period of the previous year, the company was in the adjustment period, adjusting management and cost control amid the COVID crisis. Therefore, the previous year had lower gross profit and higher cost than the current year.

The company had promotional expenses of 3.47 million baht, an increase of 1.05 million baht or 44% y-y and measures to enhance sales teams to stimulate sales during the government's relaxation and lockdown relief.

Administrative expenses of 20.01 million baht, an increase of 2.15 million baht or 12% y-y in order to be in line with the current economic situation as most customers face liquidity problems. The company therefore assessed and set aside an estimate of allowance for doubtful accounts to be more appropriate and closer to reality.

Finance cost of 2.97 million baht, a decrease of 0.24 million baht or -8% y-y, a slight decrease due to the need for a short-term loan as working capital.

Summary of operating results according to the consolidated financial statements for the quarter 3/2021. The company has a total loss of -1.98 million baht (belonging to a separate items of -2.37 million baht, the subsidiary +0.39 million baht) Subsidiaries still stop their operations. Cambodia, due to the epidemic situation has not improved and the Republic of the Union of Myanmar is experiencing an epidemic situation and there are political problems in the country.

For business trends...lockdown relaxation, epidemic control, and opening up the country. This is a good sign for the company's business operations in all sectors:

- Interior work can operate for a certain period of time but unlocking will help facilitate operations in many areas, such as recruiting workers, working at the site, etc. Especially during this period when the company has acquired 4-5 high-end brands, both interior and marketing activities, Therefore, there is a need for workers and skilled workers to support (Some skilled workers escaped the covid-19 and returned home in other provinces)

- Exhibitions and events were affected quite heavily during Q2-Q3/2021, the work started gradually returning from the end of Q3/2021, resulting in quite dense work in this Q4/2021 and believe that it will continue to improve until 2022 and onward.

Please be informed accordingly,

Yours sincerely,



(Mr. Chayawat Pisessith)

Chairman of the Board.

Kingsmen C.TM.T.I. Public Company Limited.