



May 13, 2020

**Subject: Management discussion and analysis for the first quarter ended March 31, 2020**  
**Attention: The President,**  
**The Stock Exchange of Thailand**

Vintcom Technology Public Company Limited (the “Company”) would like to submit the management discussion and analysis for the Company results of operations for the first quarter ended March 31, 2020 and clarify for the Company results of operations, more than 20% from the same period of last year, as follows:

**Operating Performance**  
**Revenues**

Type of Revenue	Consolidated financial statements			
	First quarter, 2020		First quarter, 2019	
	THB Million	%	THB Million	%
Revenue from sale	481.40	76.55	218.10	58.24
Revenue from rendering of services	141.56	22.51	154.00	41.13
Other income	5.94	0.94	2.35	0.63
<b>Total revenue</b>	<b>628.90</b>	<b>100.00</b>	<b>374.45</b>	<b>100.00</b>

1. Revenue from sale

For the first quarter of 2020, the Company and its subsidiaries earned revenue from sale of goods amounting to THB 481.40 million, an increase from the same period in 2019 THB 263.30 million, or 120.72% resulting from increasing in revenue from projects in Thailand THB 210 million. While there was increase in revenue from project sales to CLM countries THB 53 million.

2. Revenue from rendering of services

For the first quarter of 2020, the Company and its subsidiaries earned revenue from rendering of services THB 141.56 million, an decrease from the same period of last year THB 12.44 million, or 8.08%, mainly resulting from changes in terms and conditions in business contracts between vServe Plus Co.,Ltd and a counterparty. This leads to decrease in revenue without any changes in gross profit.

3. Other income

In the first quarter of 2020, the Company and its subsidiaries had other income THB 5.94 million, an increase from the same period of last year THB 3.59 million. The increase mainly resulted from the THB 3.91 million increase in gain on exchange rate.



### Cost of sale of goods and rendering of services, and gross profit

	Consolidated financial statements			
	First quarter, 2020		First quarter, 2019	
	THB Million	%	THB Million	%
Revenue from sale of goods and rendering of services	822.98	100.00	372.10	100.00
Cost of sale of goods and rendering of services	521.94	83.78	296.35	79.64
<b>Gross profit</b>	<b>101.02</b>	<b>16.22</b>	<b>75.75</b>	<b>20.36</b>
<b>Gross profit margin (%)</b>		<b>16.22</b>		<b>20.36</b>

For the first quarter of 2020, the Company and its subsidiaries' cost of sale of goods and rendering of services was THB 521.94 million. Compared to THB 296.35 million in the same period in 2019, there was an increase THB 225.59 million, or 76.12% more than 67.42% increasing rate of revenue from sale of goods and rendering of services. In addition, cost of sale of goods and rendering of services was 83.78% of revenue from sales of goods and rendering of services, increase when compared to 79.64% in 2019. In sum, the gross profit was 16.22%, lower than 20.36% gross profit of the same period in 2019. The reason there was mainly due to rising in proportion of revenue from sales of goods compared to revenue from services while revenue from sales of goods has lower gross profit margin than the latter.

### Expenses

#### Distribution costs

For the first quarter of 2020, the Company and its subsidiaries' distribution costs was THB 13.89 million, a decrease from the same period in 2019 THB 0.40 million, or 2.78%. Distribution costs was 2.21% of total revenue, lower than that in the same period of 2019 which was 3.82%.

#### Administrative expenses

For the first quarter of 2020, the administrative expense was THB 55.18 million, increase from the same period in 2019 THB 7.21 million, or 15.03%. The administrative expense was 8.77% of total revenue, lower than that in the same period of last year (First quarter in 2019:12.81%).

### Net Profit and Net Margin

For the operating results of the first quarter of 2020, the Company's net profit THB 26.50 million, led to an increase of THB 18.03 million from the same period in 2019, or 212.99%. The net margin was 4.21%, increase from the first quarter of 2019 which was 2.26%.



## Financial Position

### Assets

Majority of the Company and its subsidiaries' total assets composed of account receivables, other current receivables, cash and cash equivalent. The Company and its subsidiaries' total assets as at March 31, 2020 and December 31, 2019 were THB 1,275.82 million and THB 1,161.05 million, respectively. In sum, increase in total assets was THB 114.78 million or 9.89%.

Cash and cash equivalent as at March 31, 2020 and December 31, 2019 was THB 284.03 million and THB 260.74 million, respectively. The THB 23.29 million increase was attributable to cash received from Short-term borrowings from financial institutions.

Account receivables and other current receivables as at March 31, 2020 and December 31, 2019 was THB 600.27 million and THB 540.11 million, respectively. The THB 60.16 million increase was attributable to increasing in account receivables amounting to THB 95.93 million.

Inventories as at March 31, 2020 and December 31, 2019 was THB 32.79 million and THB 23.13 million, respectively, increased THB 9.66 million.

### Liabilities

Majority, or 85.66% of the Group's total liabilities was current liabilities consisting of trade and other current payables. Significant amount of non-current liabilities composed of other payable deriving from business combination and non-current provisions for employee benefit. The company's total liabilities as at March 31, 2020 and December 31, 2019 was THB 815.54 million and THB 654.24 million, respectively. The THB 161.32 million increase in total liabilities, or 24.66% was mainly due to the short-term borrowings from financial institution and Dividends payable.

### Shareholders' Equity

Total shareholders' equities of the Company as at March 31, 2020 and December 31, 2019 was THB 419.91 million and THB 440.00 million, respectively. Increased from net profit THB 26.50 million and decreased from dividend paid THB 48.000 million.

Please be informed accordingly.

Yours Sincerely,

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