



August 14, 2020

**Subject: Management discussion and analysis for the second quarter ended June 30, 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 second quarter ended June 30, 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			
	Second quarter, 2020		Second quarter, 2019	
	THB Million	%	THB Million	%
Revenue from sale	491.37	75.31	351.47	66.14
Revenue from rendering of services	162.84	24.96	178.80	33.64
Other income	(1.78)	(0.27)	1.16	0.22
<b>Total revenue</b>	<b>652.43</b>	<b>100.00</b>	<b>531.43</b>	<b>100.00</b>

1. Revenue from sale

For the second quarter of 2020, the Company and its subsidiaries earned revenue from sale of goods amounting to THB 491.37 million, an increase from the same period in 2019 THB 139.90 million, or 39.80% resulting from increasing in revenue from CLM countries THB 188.32 million.

2. Revenue from rendering of services

For the second quarter of 2020, the Company and its subsidiaries earned revenue from rendering of services THB 162.84 million, decreased from the same period of last year THB 15.96 million, or 8.93%, 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 second quarter of 2020, the Company and its subsidiaries had negative other income amounting to THB 1.78M. This was mainly because loss from exchange rate was higher than gain from exchange rate when compared with last quarter and the same quarter of last year.



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

	Consolidated financial statements			
	Second quarter, 2020		Second quarter, 2019	
	THB Million	%	THB Million	%
Revenue from sale of goods and rendering of services	654.21	100.00	530.27	100.00
Cost of sale of goods and rendering of services	533.95	81.62	422.81	79.73
<b>Gross profit</b>	120.26	18.38	107.46	20.27
<b>Gross profit margin (%)</b>		<b>18.38</b>		<b>20.27</b>

For the second quarter of 2020, the Company and its subsidiaries' cost of sale of goods and rendering of services was THB 533.95 million. Compared to THB 422.81 million in the same period in 2019, there was an increase THB 111.14 million, or 26.28% more than 23.37% increasing rate of revenue from sale of goods and rendering of services. In addition, cost of sale of goods and rendering of services was 81.62% of revenue from sales of goods and rendering of services, increase when compared to 79.73% in 2019. In sum, the gross profit was 18.38%, lower than 20.27% 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 second quarter of 2020, the Company and its subsidiaries' distribution costs was THB 13.96 million, increased from the same period in 2019 THB 0.29 million, or 2.11%. Distribution costs was 2.14% of total revenue, lower than that in the same period of 2019 which was 2.57%.

Administrative expenses

For the second quarter of 2020, the administrative expense was THB 48.71 million, decreased from the same period in 2019 THB 7.25 million, or 12.96%. The administrative expense was 7.47% of total revenue, lower than that in the same period of last year (Second quarter in 2019:10.53%).

**Net Profit and Net Margin**

For the operating results of the second quarter of 2020, the Company's net profit THB 42.80 million, led to an increasing of THB 12.07 million from the same period in 2019, or 39.30%. The net margin was 6.56%, increased from the second quarter of 2019 which was 5.78%.





## 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 June 30, 2020 and December 31, 2019 were THB 1,380.18 million and THB 1,161.05 million, respectively. In sum, increase in total assets was THB 219.13 million or 18.87%.

Cash and cash equivalent as at June 30, 2020 and December 31, 2019 was THB 220.47 million and THB 260.74 million, respectively. The THB 40.27 million decrease was attributable to dividend paid.

Account receivables and other current receivables as at June 30, 2020 and December 31, 2019 was THB 742.16 million and THB 540.11 million, respectively. The THB 202.06 million increase was attributable to increasing in account receivables amounting to THB 217.80 million.

Inventories as at June 30, 2020 and December 31, 2019 was THB 32.02 million and THB 23.13 million, respectively, increased THB 8.89 million.

### Liabilities

Majority, or 95.53% of the Group's total liabilities was current liabilities consisting of trade and other current payables and payable deriving from business combination. Significant amount of non-current liabilities composed of lease liabilities and provisions for employee benefit. The company's total liabilities as at June 30, 2020 and December 31, 2019 was THB 873.22 million and THB 654.24 million, respectively. The THB 218.99 million increase in total liabilities, or 33.47% was mainly due to the short-term borrowings from financial institution and trade payables.

### Shareholders' Equity

Total shareholders' equities of the Company as at June 30, 2020 and December 31, 2019 was THB 461.49 million and THB 440.00 million, respectively. Increased from net profit THB 69.30 million and decreased from dividend paid THB 48.000 million.

Please be informed accordingly.

Yours Sincerely,

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