August 14th, 2020

Subject Management Discussion and Analysis on operating result for the second quarter of year 2020

To: Managing Director of Stock Exchange of Thailand

Simat Technologies Public Company Limited would like to report the variance in operating result for the second quarter of year 2020 compared with the same period of year 2019 as follows:

	Т		Thailand			MaLaysia	
Apr - Jun 2020	IT Solution	Label	Wholesale of	Total			
3-months	IT Solution	Printing	Silkscreen Printing	Government Project	Internet Broadband	computer	Total
Revenues	6,160	46,778	71,678	77,553	23,825	-	225,994
Cost of sales and services	(6,306)	(34,242)	(45,481)	(65,566)	(16,401)	-	(167,996
Gross profit (loss)	(146)	12,536	26,197	1		-	57,998
Gain (loss) on exchange rate	(110)	138	59	-	7,424	-	194
Other income	1,728	51	40	198	120	-	2,137
Selling expenses	(313)	(2,114)	(1,989)	(261)	(2,982)	-	(7,659
Administrative expense	(1,910)	(6,649)	(10,665)	(9,012)	(6,057)	-	(34,293
Finance cost	540	(537)	(1,722)	(5,273)	(410)	-	(7,402
Profit sharing from associate	(1,616)	-	-	-	-	-	(1,616
Profit (loss) before income tax	(1,720)	3,425	11,920	(2,361)	(1,905)	-	9,359
Income tax	(1)	(1,092)	(2,654)	125	102	-	(3,520
Net profit (loss)	(1,721)	2,333	9,266	(2,236)	(1,803)	-	5,839
				Equity holders Non-controlling	•	- -	2,465 3,374 5,839
			Thailand			MaLaysia	
Apr - Jun 2019	IT Solution	Label	Silkscreen	Government	Internet	Wholesale of	Total
3-months		Printing	Printing	Project	Broadband	computer	
Revenues	13,708	61,499	75,397	163,821	39,244	227,277	580,946
Cost of sales and services	(9,707)	(41,618)	(45,843)	(130,807)	(24,309)	(209,327)	(461,611
Gross profit (loss)	4,001	19,881	29,554	33,014	14,935	17,950	119,335
Gain (loss) on exchange rate	16	231	103	-	-	-	350
Gain on sale of investment	(44,693)	-	-	-	-	-	(44,693
Other income	(633)	573	49	60	124	2,498	2,671
Selling expenses	(2,889)	(1,968)	(1,467)	(237)	(4,744)	(1,584)	(12,889
Administrative expense	(6,984)	(8,919)	(15,607)	(2,044)	(15,403)	(12,063)	(61,020
Finance cost	366	(697)	(2,129)	(6)	(1,288)	(2,575)	(6,329
Profit sharing from associate	211	-	-	-	-	-	211
Profit (loss) before income tax	(50,605)	9,101	10,503	30,787	(6,376)	4,226	(2,364
Income tax	423	(1,153)	(2,487)	-	-	(1,604)	(4,821
Net profit (loss)	(50,182)	7,948	8,016	30,787	(6,376)	2,622	(7,185

Cost of sales and services (9,454) (75,224) (91,110) (197,930) (33,686) - (407, Gross profit (loss) Gross profit (loss) 498 32,590 64,654 32,028 19,430 - 149, Gross profit (loss) Gross profit (loss) 7,353 60 116 612 206 - 88, Selling expenses (736) (4,597) (4,362) (1,030) (6,272) - (16, Administrative expense (4,372) (17,043) (22,599) (1,324) - (10, Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - 49, Profit (loss) - <th></th> <th></th> <th></th> <th>Thailand</th> <th></th> <th></th> <th>MaLaysia</th> <th></th>				Thailand			MaLaysia	
Revenues 9,952 107,814 155,764 229,958 53,116 - 556, Cost of sales and services (9,454) (75,224) (91,110) (197,930) (33,686) - (407, Gross profit (loss) 498 32,590 64,654 32,028 19,430 - - - (407, Gain (loss) on exchange rate (27) 55 (233) - - - - (10,00) (6,272) - (16,03) Selling expenses (736) (4,597) (4,362) (10,00) (6,627) - (16,05) Finance cost 1,019 (941) (3,725) (5,989) (1,324) - (4,50) Profit sharing from associate (4,650) - - - - - - - - - 49, Income tax (249) (2,289) (6,664) (596) (59) - 39, Jan - Jun 2019 IT Solution Label Silks	Jan - Jun 2020	IT Solution	Label	Silkscreen	Government	Internet	· · · · ·	Total
Cost of sales and services (9,454) (75,224) (91,110) (197,930) (33,686) - (407, Gross profit (loss) Gross profit (loss) 498 32,590 64,654 32,028 19,430 - 149, Gross profit (loss) Gross profit (loss) 7,353 60 116 612 206 - 8, Gross profit (loss) Selling expenses (736) (4,577) (4,362) (1,030) (6,272) - (16, Administrative expense (4,372) (17,043) (25,794) (16,694) (11,141) - (75, Finance cost 10.019 (941) (3,725) (5,989) (1,324) - (10, Profit sharing from associate (4,650) - - - - - - (4, Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - 49, Profit (loss) - 9, Profit (loss) - - - - - - - - - - 9, Profit (loss) - - 9, Profit (loss) -	6-months		Printing	Printing	Project	Broadband	computer	
Gross profit (loss) 498 32,590 64,654 32,028 19,430 - 149, (19,30) Gain (loss) on exchange rate (27) 55 (233) - - - (19,30) Gain (loss) on exchange rate (27) 55 (233) - - - (16, (10,030) (6,272) - (16, (14,597) Selling expenses (736) (4,597) (4,362) (1,030) (6,272) - (16, (16,694) Administrative expense (4,372) (17,043) (25,794) (16,694) (11,419) - (75, (10,072) (10, (10,072) Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - 49, (249) (2,289) (6,664) (596) (59) - (9, (9, 59) - (9, (9, 50) - <	Revenues	9,952	107,814	155,764	229,958	53,116	-	556,604
Gain (loss) on exchange rate (27) 55 (233) - - - - (1) Other income 7,353 60 116 612 206 - 8, Selling expenses (736) (4,597) (4,362) (1,030) (6,272) - (16, Administrative expense (4,372) (17,043) (25,794) (16,664) (11,419) - (70, Profit sharing from associate (4,650) - - - - - (4, Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - 49, Income tax (249) (2,289) (6,664) (596) - 9, Net profit (loss) (1,164) 7,835 23,992 8,331 562 - 39, Jan - Jun 2019 IT Solution Label Silkscreen Government Internet Wholesale of Total Gain (0ss) on exchange rate 15,347 58,596 90,	Cost of sales and services	(9,454)	(75,224)	(91,110)	(197,930)	(33,686)	-	(407,40
Other income 7,353 60 116 612 206 - 8, Selling expenses (736) (4,597) (4,362) (1,030) (6,272) - (16, Administrative expense (1,012) (17,043) (25,794) (16,694) (11,419) - (75, Finance cost 1,019 (1941) (3,725) (5,5989) (1,224) - (49, Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - 49, Income tax (915) 10,124 7,835 23,992 8,331 562 - 39, Net profit (loss) (1,164) 7,835 23,992 8,331 562 - 39, Jan - Jun 2019 IT Solution Label Printing Government Internet MaLaysia Revenues 15,347 58,596 90,560 15,459 45,774 172,441 398, Cost of sales and services (14,627) (41,728)	Gross profit (loss)	498	32,590	64,654	32,028	19,430	-	149,20
Selling expenses (736) (4,597) (4,362) (1,030) (6,272) - (1,6,674) Administrative expense (4,372) (17,043) (25,794) (16,664) (11,419) - (75,754) Finance cost 1,019 (941) (3,725) (5,989) (1,324) - (10,755) Profit sharing from associate (4,650) - - - - (4,752) Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - (49,9) Income tax (249) (2,289) (6,664) (596) (59) - (9,9) Net profit (loss) (1,164) 7,835 23,992 8,331 562 - 39,9 Jan - Jun 2019 IT Solution Label Silkscreen Government Internet Wholesale of computer Total Revenues 15,347 58,596 90,560 15,459 45,774 172,441 398, Cost of sales and services (14,627) (41,728) (45,547) (12,725) (27,674) (162,395) (Gain (loss) on exchange rate	(27)	55	(233)	-	-	-	(20
Administrative expense (4,372) (17,043) (25,794) (16,694) (11,419) - (75, (12,224) Finance cost 1,019 (941) (3,725) (5,989) (1,324) - (10, (4,650) Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - 49, (9, Net profit (loss) Net profit (loss) (1,164) 7,835 23,992 8,331 562 - 39, 39, 39, 30, Non-controlling interests 30, 39, 39, 39, 39, 39, 39, 30, Non-controlling interests 30, 30, 39, 39, 39, 39, 30, 30, 30, 30, 30, 30, 30, 30, 30, 30	Other income	7,353	60	116	612	206	-	8,34
Finance cost 1,019 (941) (3,725) (5,989) (1,324) - (10) Profit sharing from associate (4,650) - - - - - (4,425) Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - 49, Income tax (249) (2,289) (6,664) (596) (59) - (9, Net profit (loss) (1,164) 7,835 23,992 8,331 562 - 39, Jan - Jun 2019 IT Solution Label Silkscreen Government Internet Wholesale of computer Total Gain Onsale and services 15,347 58,596 90,560 15,459 45,774 172,441 398, Gors profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, Gain on sale of investment - - - - - - - - - - - -	Selling expenses	(736)	(4,597)	(4,362)	(1,030)	(6,272)	-	(16,99
Profit sharing from associate (4,650) - - - - (4, - Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - 49, (249) Income tax (249) (2,289) (6,664) (596) (59) - (9, (9, (9, (9, (9, (9, (9, (9, (1,164)) - - 30, (1,164) 7,835 23,992 8,331 562 - 39, (1,164) Net profit (loss) (1,164) 7,835 23,992 8,331 562 - 39, (1,164) 30, (1,164) 7,835 23,992 8,331 562 - 39, (1,164) 30, (9, (9, (9, (9, (1,27)) - </td <td>Administrative expense</td> <td>(4,372)</td> <td>(17,043)</td> <td>(25,794)</td> <td>(16,694)</td> <td>(11,419)</td> <td>-</td> <td>(75,32</td>	Administrative expense	(4,372)	(17,043)	(25,794)	(16,694)	(11,419)	-	(75,32
Profit (loss) before income tax (915) 10,124 30,656 8,927 621 - 449, Income tax (249) (2,289) (6,664) (596) (59) - (9, 0) Net profit (loss) (1,164) 7,835 23,992 8,331 562 - 39, Very profit (loss) (1,164) 7,835 23,992 8,331 562 - 39, Profit (loss) attributable to Equity holders of the Company Non-controlling interests 9, Jan - Jun 2019 IT Solution Label Silkscreen Government Internet Wholesale of computer Total 6-months Printing Printing Printing Project Broadband computer 62 cost of sales and services 15,347 58,596 90,560 15,459 45,774 172,441 398, Gors profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, Gain on sale of investment - - - - <td< td=""><td>Finance cost</td><td>1,019</td><td>(941)</td><td>(3,725)</td><td>(5,989)</td><td>(1,324)</td><td>-</td><td>(10,96</td></td<>	Finance cost	1,019	(941)	(3,725)	(5,989)	(1,324)	-	(10,96
Income tax (249) (2,289) (6,664) (596) (59) - (9, Net profit (loss) (1,164) 7,835 23,992 8,331 562 - 39, Profit (loss) attributable to Equity holders of the Company Non-controlling interests 30, Jan - Jun 2019 IT Solution Label Printing Silkscreen Project Government Broadband Internet computer Wholesale of Computer Total Genso profit (loss) 15,347 58,596 90,560 15,459 45,774 172,441 398, (304, Gross profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, (304, Gain (loss) 93, (232) 533 1,447 16 217 3,738 5, (304, 93, (304, Gross profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, (304, 93, (306) 93, (306) 94 - - - - - - - - - - - - - - - - - -	Profit sharing from associate	(4,650)	-	-	-	-	-	(4,65
Net profit (loss) (1,164) 7,835 23,992 8,331 562 - 39, Profit (loss) attributable to Equity holders of the Company Non-controlling interests 30, Jan - Jun 2019 IT Solution Label Silkscreen Government Internet Wholesale of computer Total Genonths Printing Printing Project Broadband computer Total Gots of sales and services (14,627) (41,728) (45,547) (12,725) (27,674) (162,395) (304, Gross profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, Gain (loss) on exchange rate 131 363 (94) -	Profit (loss) before income tax	(915)	10,124	30,656	8,927	621	-	49,41
Image: Profit (loss) attributable to Equity holders of the Company Non-controlling interests 30, 39, 39, 39, 39, 39, 39, 39, 39, 39, 39	Income tax	(249)	(2,289)	(6,664)	(596)	(59)	-	(9,85
Equity holders of the Company Non-controlling interests 30, Non-controlling interests Jan - Jun 2019 IT Solution Label Silkscreen Government Internet Wholesale of Broadband Total 6-months Printing Printing Project Broadband computer Total 6-months (14,627) (41,728) (45,547) (12,725) (27,674) (162,395) (304, Gross profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, Gain (loss) on exchange rate 131 363 (94) - </td <td>Net profit (loss)</td> <td>(1,164)</td> <td>7,835</td> <td>23,992</td> <td>8,331</td> <td>562</td> <td>-</td> <td>39,55</td>	Net profit (loss)	(1,164)	7,835	23,992	8,331	562	-	39,55
Jan - Jun 2019 IT Solution Label Printing Silkscreen Printing Government Project Internet Broadband Wholesale of computer 6-months 15,347 58,596 90,560 15,459 45,774 172,441 398, (14,627) 398, (41,728) Cost of sales and services (14,627) (41,728) (45,547) (12,725) (27,674) (162,395) (304, (304, Government) Gross profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, (304, Gain on sale of investment -					Equity holders of	of the Company		30,22 9,33
6-months Printing Printing Project Broadband computer Revenues 15,347 58,596 90,560 15,459 45,774 172,441 398, Cost of sales and services (14,627) (41,728) (45,547) (12,725) (27,674) (162,395) (304, Gross profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, Gain (loss) on exchange rate 131 363 (94) -<					0		_	39,55
Revenues 15,347 58,596 90,560 15,459 45,774 172,441 398, 398, 398, 398, 398, 398, 399, 304, 304, 304, 398, 398, 398, 398, 399, 304, 304, 304, 304, 304, 304, 304, 304								
Cost of sales and services (14,627) (41,728) (45,547) (12,725) (27,674) (162,395) (304, (304, Gross profit (loss) Gross profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, (94) -		IT Solution		Silkscreen	Government	Internet	Wholesale of	39,55 Total
Gross profit (loss) 720 16,868 45,013 2,734 18,100 10,046 93, Gain (loss) on exchange rate 131 363 (94) - <td>6-months</td> <td></td> <td>Printing</td> <td>Silkscreen Printing</td> <td>Government Project</td> <td>Internet Broadband</td> <td>Wholesale of computer</td> <td>Total</td>	6-months		Printing	Silkscreen Printing	Government Project	Internet Broadband	Wholesale of computer	Total
Gain (loss) on exchange rate 131 363 (94) - - - Gain on sale of investment -	6-months Revenues	15,347	Printing 58,596	Silkscreen Printing 90,560	Government Project 15,459	Internet Broadband 45,774	Wholesale of computer 172,441	Total 398,17
Gain on sale of investment - </td <td>6-months Revenues Cost of sales and services</td> <td>15,347 (14,627)</td> <td>Printing 58,596 (41,728)</td> <td>Silkscreen Printing 90,560 (45,547)</td> <td>Government Project 15,459 (12,725)</td> <td>Internet Broadband 45,774 (27,674)</td> <td>Wholesale of computer 172,441 (162,395)</td> <td>Total 398,17 (304,69</td>	6-months Revenues Cost of sales and services	15,347 (14,627)	Printing 58,596 (41,728)	Silkscreen Printing 90,560 (45,547)	Government Project 15,459 (12,725)	Internet Broadband 45,774 (27,674)	Wholesale of computer 172,441 (162,395)	Total 398,17 (304,69
Other income (532) 533 1,447 16 217 3,738 5, Selling expenses (2,815) (2,137) (1,168) (5) (5,766) (1,737) (13, Administrative expense (5,788) (10,689) (13,640) (1,237) (15,093) (11,634) (58, Finance cost 929 (680) (2,030) - (2,392) (3,789) (7,	6-months Revenues Cost of sales and services Gross profit (loss)	15,347 (14,627) 720	Printing 58,596 (41,728) 16,868	Silkscreen Printing 90,560 (45,547) 45,013	Government Project 15,459 (12,725)	Internet Broadband 45,774 (27,674)	Wholesale of computer 172,441 (162,395)	Total 398,17 (304,69 93,48
Selling expenses (2,815) (2,137) (1,168) (5) (5,766) (1,737) (13, (15,093) (11,634) (58, (58, (13,640) (12,372) (13,634) (58, (13,634) (58, (13,634) (58, (13,634) (58, (13,634) (13,634) (58, (13,634) (58, (13,634) (58, (13,634) (13,634) (58, (13,634) (7,78) (13,634) (7,78) (7,7	6-months Revenues Cost of sales and services Gross profit (loss) Gain (loss) on exchange rate	15,347 (14,627) 720	Printing 58,596 (41,728) 16,868 363	Silkscreen Printing 90,560 (45,547) 45,013	Government Project 15,459 (12,725)	Internet Broadband 45,774 (27,674)	Wholesale of computer 172,441 (162,395)	Total 398,17
Administrative expense(5,788)(10,689)(13,640)(1,237)(15,093)(11,634)(58,Finance cost929(680)(2,030)-(2,392)(3,789)(7,	6-months Revenues Cost of sales and services Gross profit (loss) Gain (loss) on exchange rate Gain on sale of investment	15,347 (14,627) 720 131 -	Printing 58,596 (41,728) 16,868 363 -	Silkscreen Printing 90,560 (45,547) 45,013 (94) -	Government Project 15,459 (12,725) 2,734 - -	Internet Broadband 45,774 (27,674) 18,100 - -	Wholesale of computer 172,441 (162,395) 10,046 - -	Total 398,17 (304,69 93,48 40
Finance cost 929 (680) (2,030) - (2,392) (3,789) (7,	6-months Revenues Cost of sales and services Gross profit (loss) Gain (loss) on exchange rate Gain on sale of investment Other income	15,347 (14,627) 720 131 - (532)	Printing 58,596 (41,728) 16,868 363 - 533	Silkscreen Printing 90,560 (45,547) 45,013 (94) - 1,447	Government Project 15,459 (12,725) 2,734 - - 16	Internet Broadband 45,774 (27,674) 18,100 - - 217	Wholesale of computer 172,441 (162,395) 10,046 - - 3,738	Total 398,17 (304,69 93,48 40 - 5,41
	6-months Revenues Cost of sales and services Gross profit (loss) Gain (loss) on exchange rate Gain on sale of investment Other income Selling expenses	15,347 (14,627) 720 131 - (532) (2,815)	Printing 58,596 (41,728) 16,868 363 - 533 (2,137)	Silkscreen Printing 90,560 (45,547) 45,013 (94) - 1,447 (1,168)	Government Project 15,459 (12,725) 2,734 - - 16 (5)	Internet Broadband 45,774 (27,674) 18,100 - - 217 (5,766)	Wholesale of computer 172,441 (162,395) 10,046 - - 3,738 (1,737)	Total 398,17 (304,69 93,48 40 - 5,41 (13,62
	6-months Revenues Cost of sales and services Gross profit (loss) Gain (loss) on exchange rate Gain on sale of investment Other income Selling expenses Administrative expense	15,347 (14,627) 720 131 - (532) (2,815) (5,788)	Printing 58,596 (41,728) 16,868 363 - 533 (2,137) (10,689)	Silkscreen Printing 90,560 (45,547) 45,013 (94) - 1,447 (1,168) (13,640)	Government Project 15,459 (12,725) 2,734 - - 16 (5) (1,237)	Internet Broadband 45,774 (27,674) 18,100 - - 217 (5,766) (15,093)	Wholesale of computer 172,441 (162,395) 10,046 - - 3,738 (1,737) (11,634)	Total 398,17 (304,69 93,48 40 - 5,41 (13,62 (58,08
Profit (loss) before income tax (7,509) 4,258 29,528 1,508 (4,024) (3,276) 10	6-months Revenues Cost of sales and services Gross profit (loss) Gain (loss) on exchange rate Gain on sale of investment Other income Selling expenses Administrative expense Finance cost	15,347 (14,627) 720 131 - (532) (2,815) (5,788) 929	Printing 58,596 (41,728) 16,868 363 - 533 (2,137) (10,689) (680)	Silkscreen Printing 90,560 (45,547) 45,013 (94) - 1,447 (1,168) (13,640)	Government Project 15,459 (12,725) 2,734 - - 16 (5) (1,237)	Internet Broadband 45,774 (27,674) 18,100 - - 217 (5,766) (15,093)	Wholesale of computer 172,441 (162,395) 10,046 - - 3,738 (1,737) (11,634)	Total 398,17 (304,69 93,48 40 - 5,41 (13,62 (58,08 (7,96
	6-months Revenues Cost of sales and services Gross profit (loss) Gain (loss) on exchange rate Gain on sale of investment Other income Selling expenses Administrative expense Finance cost Profit sharing from associate	15,347 (14,627) 720 131 - (532) (2,815) (5,788) 929 (154)	Printing 58,596 (41,728) 16,868 363 - 533 (2,137) (10,689) (680) -	Silkscreen Printing 90,560 (45,547) 45,013 (94) - 1,447 (1,168) (13,640) (2,030) -	Government Project 15,459 (12,725) 2,734 - - 16 (5) (1,237) - - - -	Internet Broadband 45,774 (27,674) 18,100 - - 217 (5,766) (15,093) (2,392) -	Wholesale of computer 172,441 (162,395) 10,046 - - 3,738 (1,737) (11,634) (3,789) -	Total 398,17 (304,69 93,48 40 - 5,41 (13,62 (58,08 (7,96 (15
$\begin{array}{c ccccccccccccccccccccccccccccccccccc$	6-months Revenues Cost of sales and services Gross profit (loss) Gain (loss) on exchange rate Gain on sale of investment Other income Selling expenses Administrative expense Finance cost	15,347 (14,627) 720 131 - (532) (2,815) (5,788) 929	Printing 58,596 (41,728) 16,868 363 - 533 (2,137) (10,689) (680)	Silkscreen Printing 90,560 (45,547) 45,013 (94) - 1,447 (1,168) (13,640)	Government Project 15,459 (12,725) 2,734 - - 16 (5) (1,237)	Internet Broadband 45,774 (27,674) 18,100 - - 217 (5,766) (15,093)	Wholesale of computer 172,441 (162,395) 10,046 - - 3,738 (1,737) (11,634)	Total 398,17 (304,69 93,48 40

Summary

For the 3-month period

The consolidated net profit/(loss) (portion of the parent company) for the second quarter of year 2020 and 2019 were Baht 2.47 million and Baht (13.54) million, respectively with the following details.

- For the government project which is the project of internet service to remote area Zone Northeast, this quarter incurred loss of Baht 2 million due to the followings
 - O As at 30 June 2020, the Company recognized cost of project for the phase 1 for 97% of the total budgeted project cost and there is only the remaining of the third installment is yet to be delivered and inspected. In this quarter, the Company recognized the project cost of phase 1 for only 8% or Baht 47 million while, last year, the Company recognized for 22% or Baht 131 million. The latest budgeted project cost of Phase 1 was Baht 594 million.
 - O The Company recognized revenue and profit of phase 2 (for the Internet service which was officially started) for the installment 1 of phase 1 has been started officially since March 1, 2020 and the installment 2 of phase 1 has been started since May 1, 2020. The remaining was the installment 3 of phase 1 is pending for

delivery and not	started	service	yet. 1	The	monthly	revenue	for	the	internet	service	of	phase	2	can	be
categorized as be	low.														

Job delivered	Details	Monthly	Proport	Service Start
		Revenue	ion	Date
		(Million Baht)		
Phase 1,	Job Type 1 for 1,135 service	5.12	23%	1 March 2020
Installment 1	points			
Phase 1,	Job Type 1 for 962 service points	7.88	34%	1 May 2020
Installment 2	Job Type 4 for 380 service points			
	Job Type 5 for 2 service points			
Phase 1,	Job Type 2 for 16 service points	9.60	43%	In process of
Installment 3	Job Type 3 for 169 service points			delivery and
				inspection*
	Total	22.60	100%	

Remark * : The Company has delivered the work of the Installment 3 of Phase 1 already in August 2020. It is now currently being in process of inspection. Once the inspection has been successfully, the service shall be officially started.

In Quarter 1 and Quarter 2 of year 2020, the Company has recognized service revenue for Baht 5.12 million and Baht 31.13 million, respectively.

If the Company can start the service of phase 2 completely 100%, the Company will recognize the service revenue for Baht 22.60 million a month or Baht 271 million a year along with the contract term. The gross profit margin of the service of phase 2 is higher than the installation & construction of phase 1.

- O The loss incurred in Quarter 2 mainly come from the effect of delay for the delivery of the work of installment 3 of Phase 1 which led to the increase of project cost for 3 portions:
 - 1. The cost of construction of the work of the installment 3 of Phase 1 which is over from the budgeted project cost for Baht 7.94 million which need to be recognized in this period.
 - 2. The interest expenses which were allocated to the service in this quarter was Baht 4.75 million which increased from Quarter 1 significantly due to the Company still has not received the second installment payment for the work completed for installment 2 of phase 1 about Baht 274 million. During the pending for such cash receipt, the loan principal was not reduced and there was the increase in loan to accommodate the working capital of the service of phase 2 and this led to the increase of interest expense of the project. However, when cash receipt was done, the interest expense will reduce as well.
 - 3. During the period of waiting for the delivery and inspection of work of installment 3 of Phase 1, the Company still was not able to recognize the service revenue of this portion while the Company still need to maintain the fixed cost in order to support the service activities for the job installment 1 and 2 which were delivered and started to service already and included the

installment 3 as well. The fixed costs included payroll cost for the maintenance staff, electricity cost, internet cost and other relevant cost.

However, the effect of the increase in cost as mentioned above will be temporarily existed. When the delivery and inspection of the installment 3 of phase 1 has been completed, the Company shall recognize the service revenue for 100% of phase 2 then the operating result will improve as well as previously planned.

- O The delay of the delivery and inspection of installment 3 of phase 1 arises from the force majeure which came from the tropical storm named "Podul" and "Kajiki" attacked in the north-east area during end of August till year-end of 2019 and the effect from the preventive measures of COVID-19 by the emergency decree during the beginning of year 2020 which the Company reported to SET since May 15, 2020.
- For the period of year 2020, the operating result of Silkscreen and Label Printing business was decreased due to the decrease in revenue for 5% and 24%, respectively. Normally, Quarter 2 is generally low-season however, this year, there was also the effect from COVID 19 which caused the significant decrease in purchase orders from the customer in electric appliance group in Europe. However, the purchase orders was recovered since June 2020 and the situation will be improved since Quarter 3.
- IT business had net loss from operation for the second quarter for the year 2019 and 2018 for Baht 1.72 million and Baht 50.10 million. The operating performance improved from last year due to, last year, there was an extraordinary expense item (non-cash item) which is loss from impairment on goodwill of investment in subsidiary in Malaysia amounting to Baht 44.69 million from sale of all shares holding in this subsidiary.
- Broadband business had net loss from operation for the second quarter for the year 2019 and 2018 for Baht 1.80 million and Baht 6.38 million, respectively. The net loss improved from prior year due to the downsize of the business and the transfer of some staffs to do installation of Government Project.

For the 6-month period

The consolidated net profit/(loss) (portion of the parent company) for the 6-month period of year 2020 and 2019 were Baht 30.23 million and Baht (7.43) million, respectively. In year 2019, there is extraordinary expense item (non-cash item) which is loss from impairment on goodwill of investment in subsidiary in Malaysia amounting to Baht 44.69 million from sale of all shares holding in this subsidiary.

- IT business, which exclude the effect from sale of investment in subsidiary in Malaysia, has improved in operating performance although there was a little bit loss due to the transfer of IT business to the associate company which the Company has joint investment with the Malaysian company.
- Broadband business has improved its operating performance from the downsizing of its business and the transfer of staffs to government project.
- Silkscreen and Label Printing business has decline in operating performance which came the decrease in sale from the effect of COVID 19.
- Government project has decline in operating performance due to the delay of delivery and inspection of work of the installment 3 of Phase 1 which caused the Company still has not recognized the service revenue of this portion while the Company still need to maintain the fixed cost to support the service and maintenance and the installation and construction cost which increased over the budgeted project cost from the effect of COVID 19 and the interest expenses allocated to service phase increased from the delay of cash receipt for the installment

2 of phase 1. However, the effect of the increase in cost as mentioned above will be temporarily existed. When the delivery and inspection of the installment 3 of phase 1 has been completed, the Company shall recognize the service revenue for 100% of phase 2 then the operating result will improve as well as previously planned.

Please be informed accordingly, Faithfully yours,

(Mr. Thammanoon Korkiatwanich) Director/Company Secretary