

Management Discussion & Analysis (MD&A Yr.2020).

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

February 25, 2021.

Re : Discussion and analysis of operations for the year ended December 31, 2020.

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 year ended December 31, 2020, which the net income and net profit (loss) have change more than 20% compared to the same period of the previous year. The figures according to the table are as follows.

Unit : Mil Baht

Consolidated	9Ms-20		Q4-20		Y2020		H1-19		9Ms-19		Q4-19		Y2019		#YoY (Y2020#Y2019) Inc./Dec.	
	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%	Amt.	%
Service Income	398.23		226.76		624.99		451.87		664.81		343.6		1,008.41		-383.42	-38%
Cost of Service	397.07	95%	208.39	92%	605.46	97%	526.22	116%	745.78	103%	317.1	92%	1,062.83	105%	-457.37	-43%
Gross (Loss) Profit	1.16	5%	18.37	8%	19.53	3%	-74.35	-16%	-80.97	-3%	26.6	8%	-54.42	-5%	73.95	-136%
Net After Tax	-95.23	-8%	-10.84	-5%	-106.07	-17%	-145.90	-32%	-177.71	-15%	25.5	7%	-152.24	-15%	46.17	-30%

Service income of 624.99 million baht, decrease -38% y-y, the main reason was the slowdown in domestic economy in line with the world economy although the end of December 2020 began to improve but some businesses is still affected by the new COVID-19 outbreak. In addition, travel activities and consumer confidence have not yet returned, thus affecting the overall economy.

Exhibition and events were directly affected but began to recover in the second half and overall revenues continues to decline almost doubled.

Cost of services is 605.46 million baht, decrease of -43% y-y in proportion to lower revenue. The gross profit 19.53 million baht, but still lower than expected rate. The cause is from the estimate of the late delivery penalty of some projects and continued work from the previous year, the cost of fixing and repair work exceeded the expectation of the interior section.

The company had promotional expenses of 12.55 million baht, a decrease of 9.53 million baht or -43% y-y, as a result of the policy to cut the budget in this section by more than half.

Administrative expenses of 107.91 million baht, increase of 3.73 million baht or 3.58% y-y. By setting estimates for the allowance for doubtful accounts from multiple accounts receivable to provide the most realistic figures and partial termination compensation expenses payable by labor law.

In the fourth quarter, the company recognized the loss and impairment of investments in two subsidiaries in the amount of 51.31 million baht (based on assessments of the economic, epidemic and political situations).

Financial costs of 13.36 million baht, increase of 3.90 million baht or + 41.29% y-y, due to the company's interest burden on short-term loans from financial institutions and fixed expense burden during the revenue interruption.

Summary of operating results according to the consolidated financial statements for the year 2020. The company had a total loss of -106.07 million baht (belonging to the separate business -130.55 million baht, which included the recognition of loss from impairment of investment in subsidiary of - 51.31 million baht).

The subsidiary company had a loss of -16.56 million baht due to the situation in the subsidiary was greatly affected by the coronavirus and the economy, including the recent political situation in Myanmar.

The economic situation in 2021 still in a state of recovery in the country from the factors of new infections that arise, despite having the vaccine gradually coming into the country. It still takes time to control the epidemic in the long run. Moreover, the confidence in domestic consumer spending slowed down from the economic impact, unemployment and personal income and also depends on international travel and control of travelers entering to Thailand both the tourism sector and the business sector.

However, the various stimulus packages that the government has launched to stimulate the economy in the short term, resulting in domestic spending but in the long run it still depends on how quickly will the country's overall basic economy to recover.

The outlook for the year 2021 has a better backlog than the year 2020, and almost bad debts are written off and provision for impairment. Therefore, there is a possibility that the company has gradually recovered since the year 2021 onwards.

Please be informed accordingly.

Best regards,



(Mr. Chayawat Pisessith)
Chairman of the Board