



Date 29 July 2021

Subject : Management's Discussion and Analysis of the Financial Statement for the year ended 2020

To : Managing Director of The Stock Exchange of Thailand

Enclosure

: Management's Discussion and Analysis of the Financial Statement for the year ended 2020, both Thai and English, 1 set for each

AMR Asia Public Company Limited ("the company") would like to submit the company's audited financial statements 2020 ended 31 December 2020 to the Stock Exchange of Thailand.

The Operation result of the company for the year 2020 registered a net profit amounting to Baht 247.55 million. Please see further details in the Management's Discussion and Analysis of the financial statements for the year ended 2020 as attached.

Yours faithfully,

A handwritten signature in blue ink, appearing to read 'Marut Siriko', is written in a cursive style.

(Mr. Marut Siriko)

Managing Director

AMR Asia Public Company Limited

Management's Discussion and Analysis for 2020 Results
AMR Asia Public Company Limited ("The Company" or "AMR")

1. Company Overview

AMR Asia Public Company Limited ("the Company" or "AMR") was established on September 13, 1999 as an engineering innovators and system integrators. The Company is owned by a group of engineers with more than 20 years of experience in Information and Communication Technology.

Due to the vision of the Company who believe that technology will define the future, the Company continues to grow from technological advancement and has gained trust from public and private entities in various industries that want to change the data management business model or form of service into the Digital Era through digital transformation.

Products or services of the Company can be classified into 3 categories according to the revenue structure as follows:

- (1) System Integration (SI) services: Covering Transport Solution, Information Communication Technology, Computer Network and Security and system solution for developing Smart City, which provides services in the form of Main Contractor (accept work directly from project owner) and Sub Contractor (accept work from other main contractors). Most of the contracts are in the form of Turnkey Contracts. The Company has a team of engineers and experts who are ready to provide advice, system design, equipment supply and installation as a total integrated system solution or One-Stop Service.
- (2) Maintenance services: Covering extensive services of Corrective Maintenance and Preventive Maintenance for network systems and various technologies for wide range of customers.
- (3) IT solution products: Covering both Hardware and Software products for customer who need a new digital workspace platform and secure application access.

2. Business performance

The Company operates the main business of engineering innovator and system integrator (SI), focusing on Transportation Solution (TS) and ICT and System Solution (ISS) as well as maintenance services and selling IT solution products.

2.1 Revenues

In 2020, total revenues increased from 2019 in the amount of Baht 1,116.45 million or 76.07% as the Company gradually recognized the revenue from the contracted projects. In the year 2019 and 2020, the revenue from sales and services of the Company were Baht 1,319.10 million and Baht 2,451.42 million, respectively, or equivalent to 89.88% and 94.87% of the total revenues, respectively. The revenue from sales of the Company were Baht 143.80 million and Baht 129.68 million, respectively, or equivalent to 9.80% and 5.02% of the total revenues, respectively.

For the year ended 31 December 2019 and 2020, the Company's total revenues are as follow:

Unit: Million Baht	For the Year Ended 31 December			
	2019		2020	
	Value	%	Value	%
Revenue from projects and services	1,319.09	89.88	2,451.42	94.87
Revenue from System Integration projects	1,180.54	80.44	2,304.37	89.18
• Transport Solution (TS)	986.00	67.18	1,692.77	65.51
• ICT and System Solution (ISS)	194.54	13.26	611.60	23.67
Revenue from maintenance services	138.55	9.44	147.06	5.69
Revenue from sales	143.80	9.80	129.68	5.02
Revenue from selling IoT solutions	143.80	9.80	129.68	5.02
Revenue from sales and services	1,462.90	99.68	2,581.10	99.89
Other revenues ¹	4.73	0.32	2.96	0.11
Total revenues	1,467.62	100.00	2,584.07	100.00

Note: ¹Other revenues such as interest income and dividend income.

2.2 Costs of Sales

In the year 2019 and 2020, the costs of sales and services of the Company were Baht 1,195.01 million and Baht 2,049.40 million, respectively, or equivalent to 81.69% and 79.40% of the revenue from sales and services, respectively. The Company had costs of sales from selling finished products were Baht 109.32 million and Baht 101.93 million, respectively, or equivalent to 76.02% and 78.60% of the revenue from sales, respectively.

2.3 Gross Profit

In the year 2019 and 2020, gross profit from sales and services were Baht 267.88 million and Baht 531.70 million, respectively, and the gross profit margin were 18.31% and 20.60%, respectively. In 2020, the gross profit margin from sales and services increased due to the higher revenue recognition of the contracted projects. In addition, most contracted projects were in the installation phase which contributed to higher gross profit margin.

For the year ended 31 December 2019 and 2020, the Company's gross profit are as follow:

Unit: Million Baht	For the Year Ended 31 December			
	2019		2020	
	Value	%	Value	%
Revenue from sales and services	1,462.90	100.00	2,581.10	100.00
Cost of sales	1,195.01	81.69	2,049.40	79.40
Gross profit	267.88	18.31	531.70	20.60

2.4 Selling and Administrative Expenses

In the year 2019 and 2020, the Company had selling and administrative expenses in the amount of Baht 233.49 million and Baht 222.74 million, respectively, or equivalent to 15.91% and 8.62% of the total revenues, respectively, as shown in the table below.

Unit: Million Baht	For the Year Ended 31 December			
	2019		2020	
	Value	%	Value	%
Total revenues	1,467.62	100.00	2,584.07	100.00
Selling expenses	65.05	4.43	76.66	2.97
Administrative expenses	168.44	11.48	146.08	5.65
Selling and administrative expenses	233.49	15.91	222.74	8.62

2.5 Net Profit

The Company generated net profits in 2019 and 2020 were Baht 27.39 million and Baht 247.55 million, respectively, with net profit margins of 1.87% and 9.58%, respectively. The net profit in 2020 increased by Baht 220.16 million from 2019 as the Company gradually recognized the revenue at an accelerated rate from system integration projects, as well as the increase in gross profit margin and the decrease in selling and administrative expenses.

3. Financial Position

3.1 Assets

As of 31 December 2020, the Company's total assets were Baht 1,593.56 million. The main assets consist of cash and cash equivalent, trade and other receivables, contract assets, contract work in progress and restricted bank deposits. The proportion of current assets to the total assets accounted for 79.24%.

3.2 Liabilities

As of 31 December 2020, the Company's total liabilities were Baht 1,080.35 million. The main current liabilities consist of trade and other payables and contract liabilities for construction contracts. The proportion of current liabilities to the total assets accounted for 64.34%.

3.3 Shareholders' equity

As of 31 December 2020, the shareholders' equity of the Company was Baht 513.21 million, which increased by 67.25% from the end of 2020, mainly because the Company made profits from operation in the amount of Baht 84.36 million, net of dividend payout of Baht 140.00 million.

3.4 Statement of cash flow

In 2020, the Company had cash and cash equivalents at the beginning of Baht 362.9 million. Net cash used in operating activities was Baht 26.12 million, mainly due to profit before tax and loss on changes in working capital as the contract liabilities for construction and service contracts were decreased from recognizing more revenue from the previously paid projects. In addition, net cash used in investing activities was Baht 6.14 million, mainly used in purchasing equipment to run business operation. As a result, the Company had cash and cash equivalents at the end of Baht 307.90 million.