



August 10, 2020

Subject : Management Discussion and Analysis for the 2nd quarter 2020 ending June 30, 2020

Dear : Managing and Director of the Stock Exchange of Thailand

CMO Public company Limited "CMO" would like to inform total revenue 37.55 million Baht and net loss 78.66 million Baht in the consolidated financial statement for the 2nd quarter 2020 ending June 30, 2020 while compared with the same period in 2019, which had total revenue 303.30 million Baht and net loss 45.79 million Baht. The performance clarification is explained as following reasons;

- The total revenue from service in the 2nd quarter, 2020 was decrease by 87.62% from Q2/2019. Due to the pandemic of Corona Virus (COVID-19), The Center for COVID-19 Situation Administration (CCSA) has an announcement to control the domestic spread by closing public area and not allow for all event. This defensive measure was effect directly to group of companies' revenue. Some subsidiaries company had to temporarily close.

- Cost of Service was slightly decreased from 82.16% in Q2/2019 to 200.13% in Q2/2020 because of the cost of service, which consists of variable cost and labor cost. Even though, the variable costs had met the standard margin of the company, some labor costs were also allocated as fixed costs which not fluctuate with changes in or sales volume.

- Selling and Administration Expense was decrease by 13.49% in Q2/2020. This caused by the company's cost reduction policy which allows employee to work from home and also salary reduction.

- Interest Expense was decrease by 7.92% from Q2/2019. There is the effective of cash flow management between account receivable and loan principle amount, including the decreasing of long term loan.

For the separate company statement presented total revenue 27.04 million Baht and net loss 45.49 million Baht in the separate financial statement for the 2nd quarter 2020 ended June 30, 2020, compared with the same period in 2019 which had total revenue 121.95 million Baht and net loss 7.31 million Baht. The main cause is the pandemic of Corona Virus (COVID-19) situation as the above mention.

However, company is presumed that this quarter should be the worst of this situation. The allowance of lock down procedure from CCSA is making confident to business to organize more events. The company' income will recover step by step. Furthermore, some parts of company revenue are derivable from museum section which will start acknowledges income in Q3/2020.

Please be informed accordingly,

Sincerely Yours,

(Mr.Sermkhun Kunawong)
Chief Executive Officer
CMO Public Company Limited

