

## 2Q 2016: Management Discussion and Analysis

### 2Q 2016 Highlights

In 2Q-2016, Ssmart Telcoms Public Company Limited or "SAMTEL" reported the consolidated revenues of THB 1,362 million and net profit of THB 60 million.

### Financial Performance

#### Revenues

The consolidated total revenues for 2Q-2016 was THB 1,362 million, increased by THB 137 million or 9.1% from last year mainly from the following:

#### Revenue from sales and contract work and service income

Revenue from sales and contract work and service income was THB 1,352 million, total decreased by THB 130 million or 8.8% compared to last year, because of decreased in both of service income and revenue from sales and contract work due to the delay of continuous projects in the bidding process.

#### Other income

Other income was THB 10 million, decreased by THB 7 million from last year due to decreased in gain on exchange rate.

#### Cost of sales and contract work and service income

Cost of sales and contract work and service income was THB 1,114 million, decreased from last year by THB 78 million or 6.5%.

#### Gross Profit

Gross profit was THB 238 million decreased from last year by THB 52 million or 18.0%. Gross profit margin was 17.6% decrease from 19.6% in last year.

#### Selling Expenses, Administrative Expenses, and Other Expenses

Selling expenses, administrative expenses, and other expenses were THB 136 million, increased from last year by THB 4 million mainly increased in employee salary and benefits.

#### Finance Cost & Corporate Income Tax

Finance cost was THB 43 million, increased from last year by THB 3 million, mainly due to the increase of loans from banks compared with the same period of last year. Corporate income tax was THB 10 million, increased by THB 5 million.

#### Net Profit

The consolidated net profit attributable to equity holders of the company was THB 60 million, decreased by THB 71 million or 54.1% compared to last year.

### Financial Position

#### Assets

At the end of 2Q-2016, SAMTEL reported the total assets of THB 10,261 million, increased by THB 222 million or 2.2% compared to the end of 2015, mainly resulting from the increase of trade receivables and intangible assets.

#### Source of financing

At the end of 2Q-2016, SAMTEL reported total liability of THB 6,783 million, increased of THB 203 million or 3.1% compared to the end of 2015, mainly from the increase of trade account payables.

SAMTEL reported the total shareholders' equity of THB 3,478 million, increased by THB 19 million or 0.6% from the end of 2015.