

## 2016: Management Discussion and Analysis

### 2016 Highlights

In 2016, Samart Telcoms Public Company Limited or "SAMTEL" reported the consolidated revenues of THB 5,749 million and net profit of THB 184 million.

### Financial Performance

#### Revenues

The consolidated total revenues for 2016 was THB 5,749 million, decreased by THB 44 million or 0.8% from 2015 mainly from the following:

##### Revenue from sales and services

Revenue from sales and services was THB 5,721 million, total increased by THB 5 million or 0.1% compared to 2015, with greater portion of service revenue.

##### Other income

Other income was THB 28 million, decreased by THB 49 million from 2015 due to gains decrease from sales in trading securities in 2015 and decrease in gains from foreign exchange in 2016.

#### Cost of Sales and Services

Cost of sales and services was THB 4,765 million, increased from 2015 by THB 223 million or 4.9%, due to the negative adjustment from accrued project cost in 2015, along with an increase in direct project cost in 2016.

#### Gross Profit

Gross profit was THB 956 million decreased by THB 218 million or 18.6%. Gross profit margin was 16.7% decrease from 20.5% in 2015, due to decreased in gross profit margin of turnkey contracts.

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

Selling expenses, administrative expenses, and other expenses were THB 609 million, decreased from 2015 by THB 76 million mainly due to reductions of penalties from the delay and advertising and promotion expenses.

#### Finance Cost & Corporate Income Tax

Finance cost was THB 173 million, increased by THB 6 million, mainly from slight increase in bank loan. Corporate income tax was THB 28 million, increased by THB 27 million.

#### Net Profit

The consolidated net profit attributable to equity holders of the company was THB 184 million, decreased by THB 218 million or 54.3% compared to 2015.

### Financial Position

#### Assets

At the end of 2016, SAMTEL reported the total assets of THB 10,019 million, decreased by THB 21 million or 0.2% compared to the end of 2015, mainly resulting from a decrease of trade and other receivables.

#### Source of financing

At the end of 2016, SAMTEL reported total liability of THB 6,543 million, decreased of THB 38 million or 0.6% compared to the end of 2015, mainly from a decrease in short-term loans from banks.

SAMTEL reported the total shareholders' equity of THB 3,476 million, an increase of THB 17 million or 0.5% from the end of 2015.