



9 May 2018

Re: Report on Operating results for the quarter ended March 31st, 2018 and changes in the operating result of more than 20% from the same period of the previous year

To: President of the Stock Exchange of Thailand

Overall

Summary results of COM7 Public Company Limited (Company) and its subsidiaries in Q1/2018 compared with the operating results for the Q1/2017 according to consolidated financial statement of Q1/2017, the details are as follows

- Revenue from sales and services was 6,466.1 MB., increased by 31.7%
- Gross profit was 786.6 MB., increased by 20.9%
- Selling expenses was 485.5 MB., increased by 17.0%
- Administrative expenses was 103.7 MB., increased by 18.4%
- Profit (loss) owners of the parent was 174.9 MB., increased by 46.2%

Statement of Comprehensive Income (Consolidated)

| | Q1/2018 | | Q1/2017 | | Q4/2017 | | Compared | |
|------------------------------------|---------|--------|---------|--------|---------|--------|----------|---------|
| | MB. | % | MB. | % | MB. | % | YoY% | MoM% |
| Revenue from sales and services | 6,433.6 | 100.0% | 4,899.1 | 100.0% | 7,151.1 | 100.0% | 31.3% | (10.0%) |
| Cost of sales and services | 5,647.0 | 87.8% | 4,248.7 | 86.7% | 6,249.9 | 87.4 | 32.9% | (9.6%) |
| Gross profit | 786.6 | 12.2% | 650.4 | 13.3% | 901.2 | 12.6% | 20.9% | (12.7%) |
| Net gain (loss) from exchange rate | 6.5 | 0.1% | 2.1 | 0.0% | 3.1 | 0.0% | 209.5% | 109.7% |
| Other income | 17.9 | 0.3% | 7.8 | 0.2% | 12.1 | 0.2% | 129.5% | 47.9% |
| Share of profit of a joint venture | 8.1 | 0.1% | - | 0.0% | 6.7 | 0.1% | 100.0% | 20.9% |
| Total revenue | 6,466.1 | 100.5% | 4,909.0 | 100.2% | 7,173.0 | 100.3% | 31.7 | (9.9%) |
| Selling expenses | 485.5 | 7.5% | 414.9 | 8.5% | 518.6 | 7.2% | 17.0% | (6.4%) |
| Administrative expenses | 103.7 | 1.6% | 87.6 | 1.8% | 126.0 | 1.8% | 18.4% | (17.7%) |



| | | | | | | | | |
|-------------------------------|-------|------|-------|------|-------|------|-------|---------|
| EBIT | 229.9 | 3.6% | 157.8 | 3.2% | 278.5 | 3.9% | 45.7% | (17.5%) |
| Finance costs | 14.3 | 0.2% | 9.5 | 0.2% | 11.2 | 0.1% | 50.5% | 27.7% |
| EBT | 215.6 | 3.4% | 148.3 | 3.0% | 267.3 | 3.8% | 45.4% | (19.3%) |
| Income tax expense | 41.1 | 0.7% | 28.8 | 0.6% | 55.3 | 0.8% | 42.7% | (25.7%) |
| Net profit | 174.5 | 2.7% | 119.5 | 2.4% | 212.0 | 3.0% | 46.0% | (17.7%) |
| Profit (owners of the parent) | 174.9 | 2.7% | 119.6 | 2.4% | 212.3 | 3.0% | 46.2% | (17.6%) |

Revenue from sales and services

Sales and service income for Q1'2018 was 6,433.6 MB. , increased of 1,534.5 MB. , or 31.3% from the same period of the previous year. All segments are increasing. Mobile segment and accessories segment are the highest growth rate.

Revenue structure by segment (Consolidated)

| Segment information | Q1'2018 | | Q1'2017 | | Compared |
|---------------------------------|---------|--------|---------|--------|----------|
| | MB. | % | MB. | % | YoY% |
| IT | 1,218 | 18.9% | 1,070 | 21.8% | 13.8% |
| Mobile | 3,978 | 61.8% | 2,914 | 59.5% | 36.5% |
| Service | 229 | 3.6% | 194 | 4.0% | 18.0% |
| Other | 1,009 | 15.7% | 721 | 14.7% | 39.9% |
| Revenue from sales and services | 6,434 | 100.0% | 4,899 | 100.0% | 31.3% |

The key factor are

1. Apple products is continuous growth. Especially the new iPhone and Apple watch that launched in the last quarter. As a result, sales in Q1' 2018 remained growth. The company launched Apple's 3 cell watch series in April which has good trend as forecasting. Our sale has growth in term of both quantity and price per unit.
2. The Smartphone were launched in March, including the Samsung Galaxy S9, Huawei Mate 20 Pro, Huawei Y9, Oppo V9, Oppo F7 and Vivo V9. As a result, sales in March increased.
3. Notebook products is still growth. Especially the gamer is turn to play game on notebook.
4. Our strategy of sale, the company set policy to store for sold mobile with sim card and accessories so it's main reason for key success for mobile segment and accessories segment.
5. Channel in retail, the shops need time to growth up. The company has 65 new stores in the last year excluded consign in modern trade. Most stores opened in Q'3 and Q'4 so in this quarter sale in this shop are increasing.



6. The company is focus on promotion for compare with competitors. Especially this quarter is the high season to maintain sales growth during the high demand from customers.

Cost of sales and services

Cost of sales and services for Q1'2018 was 5,647.0 MB. , increased of 1,398.3 MB. , or 32.9% from the same period of the previous year, according to growth in sales revenue.

Gross profit

Gross profit for Q1'2018 was 786.6 MB. , increased of 136.2 MB. , or 20.9% from the same period of the previous year, according to growth in sales revenue.

Selling expenses

Selling expenses for Q1'2018 was 485.5 MB. , increased of 70.6 MB. , or 17.0% from the same period of the previous year, according to growth in sales revenue. It's promotion and marketing event.

Administrative expenses

Administrative expenses for Q1'2018 was 103.7 MB. , increased of 16.1 MB. , or 18.4% from the same period of the previous year .This was to support the increasing sales and business expansion

Finance cost

Finance cost for Q1'2018 was 14.3 MB. , increased of 4.8 MB. , or 50.5% from the same period of the previous year. The increasing of short-term loans is the main reason that company loan for purchase inventory and expanded our business. Meanwhile, the interest rate could be better from negotiated.

Net profit (owners of the parent)

Net profit (owners of the parent) for Q1'2018 was 174.9 MB. or 2.7% per Revenue from sales and services , increased of 57.5 MB. , or 48.1% from the same period of the previous year, due to the reasons listed above.



Statement of financial position (Consolidated)

| | Q1'2018 | | Y2017 | |
|--|---------|------|---------|------|
| | MB. | % | MB. | % |
| Cash and cash equivalents | 408.5 | 6% | 697.4 | 10% |
| Trade and other receivables, net | 597.4 | 9% | 693.1 | 10% |
| Inventories, net | 3,752.7 | 59% | 4,089.7 | 57% |
| Other current assets | 178.2 | 3% | 166.0 | 2% |
| Total current assets | 4,936.8 | 77% | 5,646.2 | 79% |
| Total Non-current assets | 1,455.6 | 23% | 1,531.3 | 21% |
| Total assets | 6,392.4 | 100% | 7,177.5 | 100% |
| Short-term loans from financial institutions | 2,013.9 | 31% | 1,439.8 | 20% |
| Trade and other payables | 1,507.5 | 24% | 3,067.6 | 43% |
| Other current liabilities | 217.8 | 3% | 319.6 | 4% |
| Total current liabilities | 3,739.2 | 58% | 4,827.0 | 67% |
| Total non-current liabilities | 178.5 | 3% | 52.5 | 1% |
| Total liabilities | 3,917.7 | 61% | 4,879.5 | 68% |
| Total equity | 2,474.7 | 39% | 2,298.0 | 32% |
| Total liabilities and equity | 6,392.4 | 100% | 7,177.5 | 100% |

Total assets

As at 31 March 2018, the company has 6,392.4 MB., decreased 785.1 MB. or 11% from the end of last year, The key factor are as follows.

Cash and cash equivalents

As at 31 March 2018, the company has 408.5 MB., decreased 288.9 MB. or 41% from the end of last year, due to we keep maintain the appropriate level of cash balance.



Inventories, net

As at 31 March 2018, the company has 3,752.7 MB., decreased 336.7 MB. or 8% from the end of last year. According to the company plans, sell the product and control the quantity to be appropriate.

Total liabilities

As at 31 March 2018, the company has 3,917.7 MB., decreased 961.8 MB. or 20% from the end of last year, The key factor are as follows.

Short-term loans from financial institutions

As at 31 March 2018, the company has 2,013.9 MB., increased 574.1 MB. or 40% from the end of last year, The company loan for used to working capital.

Trade and other payables

As at 31 March 2018, the company has 1,507.5 MB., decreased 1,560.1 MB. or 51 % from the end of last year because before end of Mar'18, has due to payment.

Debt-to-equity ratio

As at 31 March 2018, the D/E ratio is 1.6 that in line per bank covenant.

Statement of Cash Flow (Consolidated)

Cash flow from the operations

For Q1'2018 , the company had used 907.1 MB. in cash flow for the operation as paid trade account payable that have a due payment in period.

Liquidity Ratio

The liquidity of the company comprised of the trade receivable turnover, inventory turnover and trade payable turnover. The results for Q1'2018 and Q1'2017 are shown as follow;



| Liquidity Ratio | Unit | Q1'2018 | Q1'2017 |
|--------------------------------|------|---------|---------|
| Day Sales Outstanding (DSO) | day | 9 | 9 |
| Days Sales of Inventory (DSI) | day | 63 | 54 |
| Days Payable Outstanding (DPO) | day | 37 | 32 |
| Cash Cycle | day | 35 | 31 |

DSO: In Q1'2018, equal to the last year.

DSI: In Q1'2018, the company had longer days sales of inventory due to the increase in the inventory as a part of the product management plan for enough and support new stored

DPO: In Q1'2018, the company had longer days payable outstanding due to the improved efficiency in the procurement and billing system

Cash flow from investment

For Q1' 2018, the company gained 61.3 MB. The Company has the right to terminate the restricted deposits at financial institutions amount 157.3 MB.

Cash flow from financing activities

For Q1' 2018, the company had used 556.9 MB. in short-term borrowings from the financial institutions

In conclusion

For Revenue and Profit (owners of the parent) in Q1'2018 increase 31.3% and 46.0% accordingly, This is a continuous growth. The mainly is the company has enough products to sell. The key factor is product selection and marketing plan adjustment to matching customer demand, Partners to join and growth together, Strategies to find the other channels such as B2B has sales team for corporate, Online channels on website has expected to be completed in the second quarter, Franchise Model will increase the market and new customers that the company select from qualification of franchisee includes the location and define the quality of the shop. Target 100 branch franchises in this year, Sales strategies that sell SIM cards and accessories



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to every sale. I care on service business still growth and the company expect to expand its branches. With the business plan, the company ensure to grow and grow.

Please be informed accordingly

Sincerely yours,

(Wassana Pongsangluk)

Chief Financial Officer