



22nd February 2017

Re: Report on Operating results for the year ended December 31st, 2016 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

Overall results of COM7 Public Company Limited (Company) and its subsidiaries for fiscal year (FY) 2016 compared with the operating results for FY2015 according to audited consolidated financial statements of 2016, the details of FY2016 financial summary are as follows;

- Total revenue equaled to THB 17,211.6 million, an increase by 14.8%
- Gross profit equaled to THB 2,366.6 million, an increase by 25.2%
- Selling expenses equaled to THB 1,504.8 million, an increase by 26.8%
- Administrative expenses equaled to THB 410.6 million, an increase by 18.5%
- Profit(loss) owners of the parent equaled to THB 406.5 million, an increase by 51.4%
- Total Comprehensive Income of parent company equaled to THB 404.4 million, an increase by 50.6%

Statement of Comprehensive Income (Consolidated)

	2016		2015		Compared
	THB million	%	THB million	%	YoY%
Revenue from sales and services	17,136.3	99.6	14,965.8	99.8	14.5
Cost of sales and services	14,769.7	85.8	13,075.0	87.2	13.0
Gross profit	2,366.6	13.8	1,890.8	12.6	25.2
Net gain(loss) from exchange rate	3.3	0.0	(3.0)	(0.0)	(210.0)
Other income	72.0	0.4	26.0	0.2	178.0
Total revenue	17,211.6	100.0	14,988.7	100.0	14.8
Selling expenses	1,504.8	8.7	1,186.9	7.9	26.8
Administrative expenses	410.6	2.4	346.6	2.3	18.5
EBIT	526.5	3.1	380.2	2.5	38.5
Finance costs	21.4	0.1	42.9	0.3	(50.1)
EBT	505.1	2.9	337.3	2.3	49.7
Income tax expense	100.0	0.6	74.8	0.5	33.7
Net profit(loss)	405.1	2.4	262.5	1.8	54.3
Profit(loss) of Parent Company	406.5	2.4	268.5	1.8	51.4
Total Comprehensive Income (TCI)	402.9	2.3	262.5	1.8	53.5
TCI of Parent Company	404.4	2.3	268.5	1.8	50.6



Revenue

In FY2016, total revenue equaled to THB 17,211.6 million, higher than FY2015 at THB 14,989.9 million by 14.8%. This is because of the growth in sales of Smartphone and Laptop, for instance, IPHONE SE, IPHONE 6S, IPHONE 7, IPHONE 7 PLUS, SAMSUNG J7, OPPO Smartphone, HP notebook, ACER notebook and ASUS notebook including other revenue which increasing by marketing support. The details are shown as table below:

Segment information	2017		2016		Compared
	THB million	%	THB million	%	YoY%
IT	4,533	26.4	4,357	29.1	4.0
Mobile	9,676	56.2	8,070	53.8	19.9
Accessories and other services	2,927	17.0	2,539	16.9	15.3
Revenue from sales and services	17,136	99.6	14,966	99.8	14.5
Net gain (loss) from exchange rate and Other income	75	0.4	23	0.2	226.1
Total revenue	17,211	100.0	14,989	100.0	14.8

Remark: 1. % in each transaction were compared to total revenue

2. Revenue from subscriber of mobile operator (SIM revenue) was included in revenue from accessories and other services transaction.

By the factor as follows:

1. The Selection of products and marketing activities throughout the year.
2. New product launch of IPHONE SE in Q2/2016.
3. Company had directly been supplied the stuffs from Apple South Asia (Thailand) Limited that it provided the sufficient sales at the stores, began in Q2/2016.
4. Being partner with TRUE Corporation PCL. (TRUE) supported creating sale revenue in BaNANA Shop by promotion with TRUE's SIM card, began in Q2/2016. At the year-end 2016 and 2015, Total numbers of subscriber were equaled to 120,697 subscribers and 73,035 subscribers, respectively, an increase by 65.3%.
5. New product launch of IPHONE 7 in Q4/2016
6. Thai government incentive campaign, "SHOP CHUAY CHART" in December 2016.
7. In December 2016, Expansion the retail stores by acquisition of the business of Bangkok Telecom 999 Co., Ltd. (BKK), of 44 branches.



Cost of sales and services

The company reported consolidated cost of sales and services for the FY2016 and FY2015 were equaled to THB 14,769.7 million and THB 13,075.0 million, respectively, an increase by 13.0%, related to growth in sales revenue.

Gross profit

Gross profit in FY2016 has significantly increased at THB 475.8 million, an increases by 25.2% compared with FY2015 owing to high margin product in mobile. In addition, Company was directly supplied the inventories from Apple South Asia (Thailand) Limited and receiving the profit from subscription TRUE's SIM card after being the partner with TRUE in Q2/2016.

Selling expenses

Selling expenses for the FY2016 and FY2015 were reported at THB 1,504.8 million and THB 1,186.9 million respectively, an increase by 26.8%, due to marketing activities and sale promotion.

Administrative expenses

Administrative expenses in FY2016 and FY2015 were reported at THB 410.6 million and 346.6 million respectively, an increase by 18.5% in order to expand business of the company and subsidiaries company.

Finance costs

Finance costs in FY2016 were at THB 21.4 million, reduced from THB 42.9 million in FY2015, mainly from repayment short-term debts and decreasing in short-term interest rate.

Total Comprehensive Income (Parent company)

Net profit in FY2016 equaled to THB 404.4 million or 2.3% to the total revenue, compared with FY2015 at THB 268.5 million or 1.8% to total revenue, an increase by 50.6%



Statement of financial position (Consolidated)

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	2016		2015	
	THB million	%	THB million	%
Cash and cash equivalents	710.8	14.7	730.2	16.6
Inventories	2,182.9	45.3	2,250.2	51.1
Other-current assets	569.7	11.8	416.7	9.5
Total current assets	3,463.4	71.8	3,397.1	77.2
Total non-current assets	1,362.4	28.2	1,004.7	22.8
Total assets	4,825.8	100.0	4,401.8	100.0
Trade and other payables	1,708.3	35.4	1,767.9	40.2
Other-current liabilities	1,049.2	21.7	766.0	17.4
Total current liabilities	2,757.5	57.1	2,533.9	57.6
Total non-current liabilities	79.1	1.7	103.7	2.4
Total liabilities	2,836.6	58.8	2,637.6	60.0
Total equity	1,989.2	41.2	1,764.2	40.0
Total liabilities and equity	4,825.8	100.00	4,401.8	100.0

Total assets

As at December 2016, Company had THB 4,825.8 million of total assets, an increase by THB 424.0 million or 9.6% compared with FY2015. This is because trade and other receivables-net had increased at THB 154.7 million and Property, Plant and Equipment (PPE)-net had increased at THB 122.9 million and deposits as collateral to guarantee the long-term loan from financial institution had increased at THB 71.2 million.

Cash and cash equivalent

As at December 2016, Company had THB 710.8 million of cash and cash equivalent, a decrease by 2.7%, due to cash used in investing activities at THB 399.9 million. This is because it was used for acquisition of business of BKK, additional investment subsidiaries company and investment in PPE for supporting the expansion business

Trade and other receivables

As at December 2016, Company had THB 499.1 million of trade and other receivables, an increase by THB 154.7 or an increase 44.9% compared with FY2015 mainly from marketing support by suppliers, an increase in other receivable at THB 112.0 million.



Inventories

As at December 2016, Company had THB 2,182.9 million of inventories (accounted for 45.3% to total assets), a decrease by THB 67.3 million or a decrease by 3.0% compared with FY2015 due to high volume of selling the product according to Thai government incentive campaign, “SHOP CHUAI CHART” in December 2016 and good performance in inventories management.

Property, plant and equipment (PPE)

As at December 2016, Company had THB 449.5 million of PPE (accounted for 9.31% to total assets), an increase by THB 122.9 million or an increase by 37.7% compared with FY2015 due to acquiring the assets and decoration furniture expenses of new office.

Total liabilities

As at December 2016, Company had THB 2,836.6 of total liabilities that had increased at THB 199.0 million, an increase by 7.5% compared with FY2015 due to net borrowing short-term loan from financial institutions increasing at THB 260.3 million.

Trade and other payables

As at December 2016, Company had THB 1,708.3 million of trade and other payables (accounted for 35.4% to total assets), a decrease by THB 59.6 million or a decrease by 3.4% compared with FY2015 owing to repayment to suppliers according to outstanding balance for receiving more discounts from suppliers.

Sources of fund

Short-term loans from financial institutions

As at FY2016, Company had THB 953.4 million of short-term loans from financial institutions (accounted for 19.8% to total assets), an increase by THB 260.3 million or an increase by 37.5% in order to expand the operating working capital.

Long-term loans from financial institutions

As at FY2016, Company had THB 53.6 million of long-term loans from financial institutions, a decrease by THB 14.3 million or a decrease by 21.1% in order to repay the debt according to schedule in contract.



Total equity

As at December 2016, Company had THB 1,988.7 million of total equity (Parent company), an increase by THB 224.4 million mainly from increasing in TCI at THB 404.4 million. Means while, Company paid the dividend of THB 180.0 million.

Book value per share

As at FY2016 and FY2015, Company had THB 1.66 per share and 1.47 per share of book value, respectively. (Par value is at THB 0.25 per share).

Cash flow (Consolidated)

Cash flow from operating

As at FY2016, Company had THB 311.2 million of net cash generated from operating activities due to increasing in operating income.

Liquidity ratio

Liquidities of Company comprise of Inventory turnover, Trade receivable turnover and Trade payable turnover. In FY2016 and FY2015, the results are shown as table below:

Liquidity ratio	Unit	2016	2015
Day sale outstanding (DSO)	Day	8.9	6.3
Day sale of inventory (DSI)	Day	54.0	69.7
Days payable outstanding (DPO)	Day	42.6	47.5
Cash Cycle	Day	20.3	28.5

Remark: 360 days per year

DSO: In FY2016, Company had slightly increased in DSO period due to average collection receivable policy at 60 days of Subsidiaries Company.

DSI: In FY2016, Company had moderately decreased in DSI period due to better inventory management to selling slowly moving products and obsolete products.

DPO: In FY2016, Company had moderately decreased in DPO period mainly from repayment to suppliers according to outstanding balance for receiving more discounts from suppliers.



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Cash flow from Investing

As at FY2016, Company had THB 399.9 million of net cash used in investing activities owing to Investing in PPE, leasehold and acquiring of business of BKK.

Cash flow from financing

As at FY2016, Company had THB 69.2 million of net cash generated from financing activities due to short-term loan from financial institutions.

Please be informed accordingly

Sincerely yours,

(Wassana Pongsangluk)

Chief Financial Officer