

Ref: IR60/011

11 August 2017

Subject: Management Discussion and Analysis, 2<sup>nd</sup> Quarter Ending 30 June 2017  
 To : President  
 The Stock Exchange of Thailand

Pursuant to Jaymart Public Company Limited (“the Company”) Board of Directors’ Meeting No. 5/2017 on 11 August 2017, the resolution to certify the financial statements and performance of the Company and the Company’s subsidiaries for the second quarter ending 30 June 2017 which has already been examined by the Company’s auditor. The results can be summarized as follows:

The Company’s performance in consolidated financial statement for the second quarter in 2017 showed a net profit of 148.1 million baht more than the second quarter in 2016 at 45.2 percent and the Company’s net profit margin equal to 4.9 percent. Thus, the performance of the Company and the Company’s subsidiaries in the consolidated financial statement during the six-month period for 2017 showed a net profit of 263.3 million baht, which was an increase from the six-month period for 2016 at 37.8 percent calculated as a net profit ratio of 4.4 percent

The remarkably success in the performance in the second quarter in 2017 as compare to the same period last year and compare with the previous quarter was as a result of the recovery of subsidiaries performance from the first quarter in 2017. In addition to, the performance of debt collection and management business jumped in second quarter of 2017 and the property development business and personal loan business recovered to be a net profit in the second quarter of 2017. The Synergy Strategy among subsidiaries will be a foundation of the group companies to grow the performance in the future.

The details on the performance of the companies in the group can be described as follows:

### Summary of Profit and Loss Statement

	Q2/2017	Q2/2016	Change		6M/2017	6M/2016	Change	
			MB	%			MB	%
Sales	2,371.6	1,990.7	380.9	19.1%	4,778.2	4,128.7	649.5	15.7%
Services Income from debts collection and others	481.9	240.6	241.3	100.3%	853.4	458.2	395.1	86.2%
Rental and service income	174.2	133.0	41.1	30.9%	347.1	266.4	80.7	30.3%
<b>Total revenue</b>	<b>3,027.6</b>	<b>2,364.3</b>	<b>663.3</b>	<b>28.1%</b>	<b>5,978.6</b>	<b>4,853.3</b>	<b>1,125.3</b>	<b>23.2%</b>
Cost of Sales	2,089.8	1,742.4	347.4	19.9%	4,193.6	3,595.7	597.9	16.6%

	Q2/2017	Q2/2016	Change		6M/2017	6M/2016	Change	
			MB	%			MB	%
Cost of Services	151.8	84.2	67.6	80.3%	278.0	171.8	106.2	61.8%
Cost of rental and services	140.6	107.2	33.4	31.1%	281.0	213.3	67.7	31.7%
<b>Cost of Sales and Services</b>	<b>2,382.1</b>	<b>1,933.8</b>	<b>448.3</b>	<b>23.2%</b>	<b>4,752.6</b>	<b>3,980.8</b>	<b>771.8</b>	<b>19.4%</b>
Sales promotion income	148.8	109.1	39.7	36.4%	283.3	213.0	70.3	33.0%
Other income	28.1	14.7	13.4	90.8%	59.4	31.0	28.4	91.7%
Selling Expenses	233.9	196.4	37.5	19.1%	452.8	396.9	55.9	14.1%
Administrative Expenses	257.7	181.9	75.8	41.6%	563.3	389.3	174.0	44.7%
Operating Profit	335.7	175.9	159.8	90.8%	558.3	330.2	228.0	69.0%
Finance Cost	71.2	40.4	30.8	76.3%	134.7	80.7	54.0	66.9%
Income tax expenses	59.5	21.0	38.6	183.9%	62.4	59.6	2.8	4.7%
<b>Net Profit</b>	<b>148.1</b>	<b>102.0</b>	<b>46.1</b>	<b>45.2%</b>	<b>263.3</b>	<b>191.1</b>	<b>72.2</b>	<b>37.8%</b>

### Revenues Analysis

The Company engages in Holding Company Business which invested in many businesses by focusing in Retail Business. Therefore, the Company's net profit is reflected from the performance of subsidiaries which contributed a good performance in the second quarter of 2017.

The Company's total revenues for the second quarter of 2017 equal to 3,027.6 million baht more than the same period for last year at 663.3 million baht or an increased ratio at 28.1 percent. And for the Company total revenues for the six month of 2017 equal to 5,978.6 million baht higher than the same period for last year at 1,125.3 million baht or an increased at 23.2 percent. An increasing of total revenues was described by the following reasons:

1. Sales for the second quarter of 2017 stood at 2,371.6 million baht or an increase of 19.1 percent as compare to the same period last year. And for the first half of 2017 was 4,778.2 million baht or an increase of 15.7 percent. An increasing of sales stem from the sale strategies in mobile phone business by using a unique distribution channel both Jaymart Shop with Life Time Guarantee promotion, wholesale, and synergy through associate company, Singer. Not only mobile phone sale increase but also the camera sale performed well in the second quarter of 2017. This causes overall sale increase in the second quarter of 2017.
2. Services Income from debts collection and others for the second quarter of 2017 was 481.9 million baht or an increase of 100.3 percent. While the services income from debts collection and others for the six month of 2017 was 853.4 million baht or 86.2 percent increase. A remarkably increase in revenues was mainly from the subsidiaries success in collection of distress debt purchased. In the first and second quarter of 2017, the subsidiaries hit the record for debt collection revenues from the distress debt purchased from financial institutions.

3. Rental and service income for the second quarter of 2017 equal to 174.2 million baht or increase by 30.9 percent. For the first half of 2017 the rental and service income was 347.1 million baht or increase by 30.3 percent. This is because the number of branches of IT Junction increase and the revenues from new community mall “The Jas Urban Srinakarin”

### Gross Profit

The Company has gross profit as in the consolidated financial statement for the second quarter of 2017 equal to 645.5 million baht, an additional 215.0 million baht or an increase of 50.0 percent when compared to the previous year. While the Company’s gross profit for the first half of 2017 equal to 1,226.0 million baht which increase by 353.5 million baht or 40.5% increase from the same period last year. This was due to the revenues of the Company and subsidiaries increase especially from debt collection business and personal loan business.

### Selling and Administrative Expenses

The Company incurred expenses in sales and administrative expenses for the second quarter of 2017 equal to 491.7 million baht, which was 113.3 million baht higher or an increase of 29.9 percent when compared to the previous year. The first half of 2017 the Company’s sales and administrative expenses equal to 1,016.1 million baht which increase by 229.9 million baht or 29.2 percent more than the same period last year. The major selling and administrative expenses increase were selling expenses in related to sell promotion, rental expenses increase, allowances for doubtful debts in subsidiaries and the employee remuneration expenses from business segment expansion.

### Summary of Statement of Financial Positions

	30-Jun-17		31-Dec-16		Change (MB)	% Change
	MB	%	MB	%		
<b>Assets</b>						
Cash and cash equivalents	262.6	1.9%	843.9	6.5%	-581.4	-68.9%
Trade and other receivables	315.8	2.2%	355.0	2.7%	-39.1	-11.0%
Inventories	1,740.4	12.3%	1,148.7	8.8%	591.7	51.5%
Property Development Cost	209.1	1.5%	96.5	0.7%	112.6	116.7%
Accrued Income	459.1	3.3%	407.9	3.1%	51.3	12.6%
Current Portion of loans to customers	2,223.4	15.8%	1,822.4	14.0%	401.0	22.0%
Current Portion of loans receivables from purchase of accounts receivable	467.1	3.3%	427.1	3.3%	40.0	9.4%
Other Current Assets	270.3	1.9%	224.3	1.7%	46.0	20.5%
Loans to customers - net	260.00	1.8%	331.36	2.5%	-71.4	-21.5%
Loans to receivables from purchase of accounts receivables - net	3,289.3	23.3%	3,010.7	23.2%	278.6	9.3%

	30-Jun-17		31-Dec-16		Change (MB)	% Change
	MB	%	MB	%		
Investment in associates	971.9	6.9%	999.2	7.7%	-27.4	-2.7%
Investment Property	506.8	3.6%	507.3	3.9%	-0.5	-0.1%
PPE	826.7	5.9%	840.5	6.5%	-13.8	-1.6%
Leasehold rights and prepaid rent	1,577.8	11.2%	1,499.2	11.5%	78.6	5.2%
Other Non-current assets	734.5	5.2%	489.2	3.8%	245.3	50.1%
<b>Total Assets</b>	<b>14,114.6</b>	<b>100.0%</b>	<b>13,003.1</b>	<b>100.0%</b>	<b>1,111.5</b>	<b>8.5%</b>
<b>Liabilities</b>						
Bank OD and Short-term loans	2,507.2	17.8%	1,933.6	14.9%	573.6	29.7%
Trade and other payables	603.4	4.3%	717.6	5.5%	-114.2	-15.9%
Current portion of liabilities under finance lease	357.0	2.5%	371.7	2.9%	-14.8	-4.0%
Current Portion of Debentures	609.9	4.3%	609.4	4.7%	0.5	0.1%
Short-term loans	2,374.2	16.8%	2,384.2	18.3%	-10.0	-0.4%
Other current liabilities	156.5	1.1%	102.4	0.8%	54.1	52.9%
Long-term loans - net	1,111.3	7.9%	1,200.2	9.2%	-88.9	-7.4%
Debentures - net	1,965.6	13.9%	1,497.0	11.5%	468.6	31.3%
Other Non-current assets	202.6	1.4%	196.8	1.5%	5.8	3.0%
<b>Total Liabilities</b>	<b>9,887.7</b>	<b>70.1%</b>	<b>9,013.0</b>	<b>69.3%</b>	<b>874.7</b>	<b>9.7%</b>
<b>Total Shareholder's Equity</b>	<b>4,226.9</b>	<b>29.9%</b>	<b>3,990.0</b>	<b>30.7%</b>	<b>236.9</b>	<b>5.9%</b>

### Assets

As of the period ending 30 June 2017, the Company had total assets equal to 14,114.6 million baht more than 2016 at 1,111.5 million baht or 8.5 percent due to an increasing in loan to customer and the distress debt purchased, computer program and land acquisition for development in subsidiaries.

### Liabilities and Shareholders' Equity

As of the period ending 30 June 2017, the Company had liabilities equal to 9,887.7 million baht more than 2016 at 874.7 million baht or 9.7 percent due to its subsidiaries incurred more in short-term debt from financial institution, while shareholders' equity increased to 4,226.9 million baht. The Company's debt to equity ratio for the ending 30 June 2017 was 2.34 times and the Interest Bearing Debt to Equity ratio was 2.11 times.

## Looking Forward

The second quarter of 2017 performance has reflected a success in Synergy Strategy among companies in Jaymart Group. The looking forward of performance of each business segment is as following;

Business	Forward Looking
Mobile and Camera Retail Business	The business continues to grow from a unique distribution channel. The company's camera business gain more market share in Camera market.
Debt Collection and Management	The business is growing as the leader in Debt Management business. The company keeps the target for 30,000 million baht in face value of distress debt acquisition in 2017. Moreover, the expansion of business in oversea market to sustain business in long-term. The oversea collection business is expected to inaugurate within Q3/2017.
Property Development Business	The business performance will gradually improve by branches expansion and the revenues increase from new community mall project "The Jas Urban Srinakarin". In addition, the Company expects to open the new property for sale development project which expect to recognize revenues in 2018 – 2019.
Personal Loan Business	The growth of personal loan business keep going on by using Synergy strategy both sale channels and the collection.

Thus, you have been informed for your acknowledgement.

Sincerely Yours,

*- Singed -*

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**Group Investor Relations**

**Jaymart Public Company Limited**