

Ref: BC.017/2018

May 11, 2018

Subject Interim Management's Discussion and Analysis for the three months ended March 31, 2018  
 To The President  
 The Stock Exchange of Thailand

Management Discussion and Analysis  
Consolidated Financial Statements  
For the three-month period ended 31 March 2018

Operating performance  
Revenues

| Type of Revenue                                      | Jan-Mar 2018  |               | Jan-Mar 2017  |               |
|--|---------------|---------------|---------------|---------------|
|  | THB (m)       | %             | THB (m)       | %             |
| <b>1. HR Solutions</b>                               |               |               |               |               |
| 1.1 Human Resources and Payroll Outsourcing-services | 60.16         | 45.77         | 56.21         | 47.26         |
| 1.2 Income from software and Human Resources System  | 45.58         | 34.67         | 34.40         | 28.92         |
| <b>Revenues from HR Solutions</b>                    | <b>105.74</b> | <b>80.44</b>  | <b>90.61</b>  | <b>76.18</b>  |
| <b>2. Financial Solutions</b>                        |               |               |               |               |
| 2.1 Enterprise Resource Planning                     | 20.04         | 15.25         | 19.10         | 16.06         |
| 2.2 Accounting and Finance Outsourcing               | 3.49          | 2.66          | 7.64          | 6.42          |
| <b>Revenues from Financial Solutions</b>             | <b>23.53</b>  | <b>17.90</b>  | <b>26.74</b>  | <b>22.48</b>  |
| <b>Sales and service income</b>                      | <b>129.27</b> | <b>98.34</b>  | <b>117.35</b> | <b>98.66</b>  |
| <b>3. Other income (*)</b>                           | <b>2.18</b>   | <b>1.66</b>   | <b>1.59</b>   | <b>1.34</b>   |
| <b>Total Revenues</b>                                | <b>131.45</b> | <b>100.00</b> | <b>118.94</b> | <b>100.00</b> |

Remark; (\*) Other income consist of supporting money from software developers, gain from exchange rate, interest income and gain from sale of Fixed assets

1. Sales and service income for the three-month period ended 31 March 2018 amounting to THB 129.27 million increased from the same period in 2017 of THB 117.35 million by THB 11.92 million or 10.16% mainly due to higher revenues from HR solutions. HR Solutions grew by THB 15.13 million or 16.70% resulting from the recognition of license income and implementation fee from projects in Thailand and Malaysia, as well as growth in outsourcing recurring income. Revenues from financial solutions decreased by THB 3.21 million or 12.00% from THB 26.74 million to THB 23.53 million. Revenue from

Enterprise Resource Planning solution grew marginally but was offset by lower service income of Accounting and Finance Outsourcing. The reduction in revenue in Accounting and Finance Outsourcing was due to the termination of a contract with high revenue in mid-2017. Notwithstanding the lost, the impact on the gross margin is not significant as this contract has low margin.

Cost and Gross margin

| Cost of sales and services                     | Jan-Mar 2018 |                  | Jan-Mar 2017 |                  |
|--|--------------|------------------|--------------|------------------|
|  | m. Baht      | Gross margin (%) | m. Baht      | Gross margin (%) |
| Cost of sales and services-HR Solutions        | 57.70        | 45.43            | 56.26        | 37.91            |
| Cost of sales and services-Financial Solutions | 17.29        | 26.52            | 19.31        | 27.79            |
| <b>Total cost of sales and services</b>        | <b>74.99</b> | <b>41.99</b>     | <b>75.57</b> | <b>35.60</b>     |

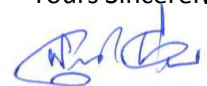
The gross margin increased from 35.60% to 41.99% is mainly due to the contribution from recognition of license fee from HR solutions. The improvement in gross margin in HR solution of 752 basis point from 37.91% to 45.43% is partially offset by a small 127 basis point reduction in gross margin in financial services from 27.79% to 26.52%.

Profit and net profit margin

Profit for the three-month period ended 31 March 2018 increased significantly by THB 10.25 million or 53.44% from THB 19.18 million to THB 29.43 million. The improvement is due to organic growth of HR solution in Thailand and contribution from our overseas operations at a higher margin. This resulted in a significant increase in net profit margin from 16.13% in 2017 to 22.39%, despite accounting for THB 1.92 million of prior year tax expenses.

Please be informed accordingly,

Yours Sincerely,




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Mr. Soontorn Dentham

Chief Executive Officer