Ref.: SKY_SC61/056

May 15, 2018

Subject Management's Discussion Analysis for the first quarter of 2018
To President
The Stock Exchange of Thailand
Enclosed A copy of the financial statement ended 31 March 2018 (1 set)

Sky ICT Public Company Limited ("the company") would like to submit the financial statement for the three-month period ended 31 March 2018 which's reviewed by the Auditor. The information will be useful for investors and those who are interested in. The operational performance of the Company for the three-month period ended 31 March 2018 and 2017 are as follows:

Executive Summary

In March 2018, the company has invested in Design and implement telecommunication infra structure business by purchase 34% of all ordinary shares of Turnkey Communication Services Co., Ltd. ("TKC") from the TKC's shareholder, the company paid for the TKC shares by 91,500,000 newly issued shares at the par value of 0.50 baht per share. From this investment, The Company has realized 1-month profit sharing from an associate company in the amounting to 7.66 million baht.

For the performances of the company in Q1/2018, the company's net profit equal to 34.43 million baht which is increased 34.03 million baht or 8,492.62% compared to Q1/2017. This increment is due to revenue recognition from the projects won in Q4/2017 and profit sharing from an associated company as mentioned above.

Performances

1. Total Revenues

Revenue	Amount (million baht)		Increase (Decrease)	
	Q1/2018	**Q1/2017**	**Million Baht**	**%**
Revenues from selling goods and services	93.83	34.80	59.03	169.65
Sales revenues according to Financial leases	217.07	10.60	206.47	1,947.37
Total main revenues	**310.90**	**45.40**	**265.50**	**584.81**
Other revenues	1.76	0.79	0.97	121.93
Total revenues	**312.66**	**46.19**	**266.47**	**576.87**

In Q1/2018, the main revenues were 310.90 million baht, increased 265.50 million baht or 584.81% from 45.40 million baht of Q1/2017 total main revenues. This was mainly due to the partial revenue recognition from project won in 2017 year which are Procurement and Installment CCTV at Suvarnabhumi Airport project and Passenger Luggage Trolleys and Other Related Items at Suvarnabhumi Airport project.

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Other revenues which are gain on assets disposal, gain on exchange rate and interest received from bank. Revenue in this quarter was increased 0.97 million baht from Q1/2017.

2. Total Costs

Cost	Amount (million baht)		Increase (Decrease)	
	Q1/2018	Q1/2017	Million Baht	%
Costs of sales and services	77.00	32.52	44.47	136.74
Cost of sales from finance lease contracts	170.35	3.56	166.79	4,681.64
Total costs	**247.35**	**36.09**	**211.26**	**585.45**
Gross margin	**63.55**	**9.31**	**54.24**	**582.34**

The total costs in Q1/2018 was 247.35 million baht, increased 211.26 million baht or 585.45% compared to total costs in Q1/2017. Considering the gross margin, the company's gross margin rate in this period was not significant changes from Q1/2017 gross margin rate. Resulted from the increment of the main revenues as mentioned above, the amount of gross margin was increased 54.24 million baht or 582.34% from Q1/2017.

3. Expenses

Expense	Amount (million baht)		Increase (Decrease)	
	Q1/2018	Q1/2017	Million Baht	%
Selling expenses	7.27	0.88	6.39	725.65
Administrative expenses	22.31	8.16	14.15	173.36
Financial costs	1.78	0.50	1.28	256.21
Total expenses	**31.36**	**9.54**	**21.82**	**228.66**

In Q1/2018, the total expenses were increased from Q1/2017 in the amounting to 21.82 million baht or 228.66%. This was mainly due to the increasing of employee expenses. Since the company has changed management structure and business strategy, the company had recruited more experts and experienced employee to support the won projects in the past year and future business expansion in this year.

4. Share of profit from associated company

In Q1/2018, the company has recognized 7.66 million baht of profit sharing from investment in Turnkey Communication Service Co., Ltd. which was 34% of March 2018 net profit.

5. Net profit (loss)

According to the increment of total revenue and share of profit from associate as mentioned above, the company has Q1/2018 net profit at 34.43 million baht, increased from Q1/2017 in the amounting to 34.03 million baht.

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Please be informed accordingly.

Sincerely Yours,

(MISS KULNADA ORANRAKTHAM)
Director

Corporate Secretary
Tel. 02 029 7888 ext. 812

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