

Aug 4, 2022

Subject: Management discussion and analysis of the company performance for the 2<sup>nd</sup> quarter of 2022

Dear President

The Stock Exchange of Thailand

Stars Microelectronics (Thailand) Public Company Limited (The Company) would like to provide the explanation concerning the operation results of the company and its subsidiary for the 2<sup>nd</sup> quarter of 2022 reported the net profit of 71.38 million baht increased 15.37 million baht, or 27.44% compared with net profit of 56.01 million baht in 2021.

### **Revenue from sales and services**

During the 2<sup>nd</sup> quarter of 2022, the company reported revenue from sales and services of 683.57 million Baht, increased 77.01 million Baht, or 12.70%, from the previous year. Despite the material shortages, economic slowdown and the situation of epidemic of COVID-19 including Russia-Ukraine war, the company revenues increased due to the demand from PCBA and IC divisions, increased 140% and 25% YoY respectively.

### **Cost of sales and services**

Total cost of sales and services for the 2<sup>nd</sup> quarter were 530.38 million Baht, increased 46.53 million Baht, or 9.62% from the same period of previous year. The cost increase related to the same direction with revenue growth and cost management efficiency.

### **Gross profit**

Gross profit for the 2<sup>nd</sup> quarter was 153.19 million Baht, increased by 30.48 million Baht, or 24.84% from the same period of the previous year. The main reason came from high margin products and cost management allocated by product.

### **Selling and administration expenses**

Selling and administration expenses for the 2<sup>nd</sup> quarter of 2021 were 77.14 million Baht, increased by 5.90 million Baht or 8.28% from the same period of previous year because the company efficiently operated expenses following to an increase of sales and services.

## Other incomes

The Company reported other incomes of 12.74 million Baht, increased 1.77 million Baht or 16.08% from the same period of the previous year.

## Financial Cost

The Company reported finance costs of 7.86 million Baht, increased by 1.63 million Baht, or 26.20% from the same period of the previous year due to mainly from financial restructuring.

## Earnings before Interests, Taxes, Depreciation and Amortization (EBITDA)

The Company reported EBITDA for the 2<sup>nd</sup> quarter of 2022 of 145.89 million Baht, increased by 20.53 million Baht or 16.38% from the same period of previous year.

## Assets

At the 2<sup>nd</sup> quarter end of 2022, the Company reported assets of 2,876.98 million Baht, increased by 112.96 million Baht or 4.09% from the year end.

## Liabilities

At the 2<sup>nd</sup> quarter end of 2022, the Company reported liabilities of 1,207.50 million Baht, increased by 22.21 million Baht or 1.87% from the year end.

## Shareholders' equities

At the 2<sup>nd</sup> quarter end of 2022, the Company reported shareholder's equities of 1,669.48 million Baht, increased by 90.76 million Baht or 5.75% from the year end. The main reason is due to achieve better performance and increasing of retain earnings.

Please be informed accordingly.

Yours sincerely,

(Mr. Chotisak Promwas)  
Chief Financial Officer  
Stars Microelectronics (Thailand) Public Company Limited