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February 16<sup>th</sup>, 2024

Subject : Management Discussion and Analysis for the year of 2023

To : President  
The Stock Exchange of Thailand

SiS Distribution (Thailand) Public Company Limited (“the Company”) and its subsidiaries would like to announce the Financial Report for the year of 2023 as at December 31<sup>st</sup>, 2023, which has been audited by certified Auditors. The details are as follows:

#### 1) Revenues

Total revenue of the Company and its subsidiaries for the year of 2023 was 27,710 million Baht, a decrease of 1,363 million Baht or 4.7% from last year, consisting of Sales and Service Income of 27,647 million Baht and Others of 63 million Baht.

Sales and Service Income by segments were presented as follows:

Business Units	Revenues (Million Baht)		Increase (Decrease)		Gross Margin (Million Baht)		Increase (Decrease)	
	2023	2022	MB.	%	2023	2022	MB.	%
Commercial	7,814	7,260	554	7.63	342	378	(36)	(9.52)
Consumer	8,555	9,265	(710)	(7.66)	421	479	(58)	(12.11)
Value Added	4,686	4,025	661	16.42	564	436	128	29.36
Phone	4,204	6,436	(2,232)	(34.68)	123	213	(90)	(42.25)
Others	2,388	2,056	332	16.15	483	399	84	21.05
<b>Total</b>	<b>27,647</b>	<b>29,042</b>	<b>(1,395)</b>	<b>(4.80)</b>	<b>1,933</b>	<b>1,905</b>	<b>28</b>	<b>1.47</b>

For the year of 2023, Revenues continued to decrease from two major Business Units as follows:

- Consumer: There was a decrease in sales of 710 million Baht or 7.7% when compared to the previous year. Overall, the consumer market is still sluggish. Purchasing power has not yet recovered. Household debt continues to increase when combined with rising interest rates, causing the purchasing power of households to decrease. As a result, the consumers focus on purchasing necessities. May have to wait for government stimulus measures in 2024.
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- Phone: There was a decrease in sales of 2,232 million Baht or 34.7% when compared to the previous year because the total market has shrunk from the economic slowdown. However, Phone direction was getting better. Sales began not to decline and is expected to have passed its lowest point when compared to the previous year. In the 4<sup>th</sup> quarter, new models began to launch to the market. It is supposed that the market will recover better than 2023.

When compared to the previous year, Commercial, Value Added and other products have grown because the private sector still invested in various IT products, especially security products, which has continuously increased. In addition, the use of cloud services and solar products that help energy saving were also continuously growing as well. However, the growth of Commercial in the second half of the year seemed to be slow down. The private sector is waiting to see the clarity of government budget approval and its policies to stimulate the economy early next year.

## 2) Net Profit

Net Profit of the Company and its subsidiaries for the year of 2023 was 646 million Baht, a decrease of 43 million Baht or 6.2% from the previous year mainly due to

- 2.1 Selling and distribution expenses increased by 72 million Baht mainly from employee expenses of 30 million Baht because of an increase in manpower to support the expansion of new business unit and marketing expenses of 38 million Baht due to higher competition during the downturn in the economy.
- 2.2 the Company's financial cost increased by 42 million Baht due to interest rate continuously increase.

Yours sincerely,

Mr. Somchai Sittichaisrichart  
Managing Director