



Ref. OS 2019/014

May 14, 2018

Subject : Management Discussion and Analysis for Quarter 1/2019

To : The Director and Manager of The Stock Exchange of Thailand

SiS Distribution (Thailand) Public Company Limited and its subsidiaries would like to announce the Financial Report for the first Quarter ended March 31, 2019 which has been reviewed by certified Auditors. The details are as follows:

1) Total Revenue

Total revenue of the Company and its subsidiaries for the first Quarter of 2019 was 4,986 Million Baht, a decrease of 159 Million Baht or 3.1% from the same period of last year. This decrease was from Phone product group due to a slowdown in the new smartphone demand for replacement, price reduction of rival smartphones as well as there was no new model of our brand released to the market in this quarter. Excluding the decline in Phone product group, all remaining products grew from the same quarter of last year.

2) Net Profit

Net Profit of the Company and its subsidiaries for the first Quarter of 2019 was 94 Million Baht, an increase of 7 Million Baht or 7.5% from the same period of last year. The main reasons were as follows:

2.1 Gross profit for the first Quarter of 2019 was 324 Million Baht or 6.5%, an increase when compared to 326 Million Baht or 6.4% from the same period of last year.

2.2 Selling expenses for the first Quarter of 2019 were 135 Million Baht, an increase of 5 Million Baht from the same period of last year. This increase were mainly due to 4 Million Baht of employee benefit expenses to expand the Company business.

2.3 Administrative expenses for the first Quarter of 2019 were 88 Million Baht, a decrease of 10 Million Baht from the same period of last year. This decrease was mainly due to 14 Million Baht of allowance for doubtful accounts.



2.4 In Quarter 1 of 2019, the Company shared the 2 Million Baht loss from investment with Wiko Mobile (Thailand) Company Limited due to price reduction of rival smartphones as well as there was no new model of our brand released to the market in this quarter.

Yours sincerely,

Mr. Somchai Sittichaisrichart
Managing Director