



Ref. OS 2019/019

August 14, 2019

Subject : Management Discussion and Analysis for Quarter 2/2019

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 second Quarter ended June 30, 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 second Quarter of 2019 was 4,971 Million Baht, a decrease of 199 Million Baht or 3.8% from the same period of last year. This was from the reduction of Phone product group by 48.3% due to a slowdown in the new smartphone demand for replacement combined with high competition in the entry level smartphones in the market. 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 95 Million Baht, a decrease of 9 Million Baht or 8.4% from the same period of last year. The main reasons were as follows:

2.1 Administrative expenses for the second Quarter of 2019 were 86 Million Baht, an increase of 15 Million Baht from the same period of last year. This increase was mainly due to a change of legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more, with such employees entitled to receive not less than 400 days' compensation at the latest wage rate. Thus, the Company has to reserve long-term employee benefit liabilities of 16 Million Baht more in this quarter.



2.2 In Quarter 2 of 2019, the Company shared the 7 Million Baht loss from investment with Wiko Mobile (Thailand) Company Limited. Wiko continued to be affected by the intense competition in smartphone market which made sales decline significantly. They have considered to reduce expenses to be in line with a situation change.

Yours sincerely,

Mr. Somchai Sittichaisrichart  
Managing Director