



Ref. OS 2019/025

November 8, 2019

Subject : Management Discussion and Analysis for Quarter 3/2019

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 third Quarter ended September 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 third Quarter of 2019 was 5,329 Million Baht, a decrease of 239 Million Baht or 4.3% from the same period of last year. This was from the reduction of Phone product group by 55.5% 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 third Quarter of 2019 was 99 Million Baht, a decrease of 29 Million Baht or 22.5% from the same period of last year. The main reasons were as follows:

2.1 Selling and distribution expenses for the third Quarter of 2019 were 130 Million Baht, an increase of 13 Million Baht from the same period of last year from promotion and marketing expenses.

2.2 Administrative expenses for the third Quarter of 2019 were 82 Million Baht, an increase of 13 Million Baht from the same period of last year. This was from the reversal of last year allowance for doubtful accounts that caused low previous year administrative expenses when compared to the current year.



2.2 In Quarter 3 of 2019, the Company shared the 0.5 Million Baht gain 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. However, they have considered to reduce expenses to be in line with a situation change.

Yours sincerely,

Mr. Somchai Sittichaisrichart  
Managing Director