

May 8, 2020

Subject: Clarification of the quarter 1/2020's profit changing more than 20%

To: President  
The Stock Exchange of Thailand

Synnex (Thailand) Public Company Limited and its subsidiaries ("the Company") would like to report the operating results for Quarter 1 ended March 31, 2020 as reviewed by the authorized Company's auditor as follows:

Description	Quarter 1/2020		Quarter 1/2019		YoY	
	MB	%	MB	%	MB	%
Income from operations	7,330.64	100.00	9,553.78	100.00	(2,223.14)	(23.27)
Operating Cost	7,017.81	95.73	9,154.49	95.82	(2,136.69)	(23.34)
Gross profit	312.83	4.27	399.29	4.18	(86.46)	(21.65)
Selling and Administrative expenses	208.64	2.85	219.55	2.30	(10.92)	(4.97)
Net profit	131.68	1.80	184.14	1.93	(52.46)	(28.49)
Basic earnings per share (THB)	0.16		0.24			

Quarter 1/2020, Sales and Services revenue amounted to THB 7,330.64 Million, decreasing by THB 2,223.14 Million or 23.27% compared to last year. Gross Profit amounted to THB 312.83 Million, decreasing by THB 86.46 Million or 21.65% from the same period last year to THB 312.83 Million. Selling and Administrative expenses amounted to THB 208.64 Million, decreasing by THB 10.92 Million from the same period last year to THB 219.55 Million. Net Profit amounted to THB 131.68 Million, decreasing by THB 52.46 Million or 28.49% from the same period last year.

Operating performance for Q1/2020 changed more than 20% from the same period last year because of the decline in sale of communication device products, mainly driven by the trade dispute between China and the US, and the Covid-19 pandemic, causing supply constrain in some product groups and reduction in sale channels from the government's measure to contain Covid-19 infection. However, the situation has gradually improved from better containment of new infection in both manufacturers' countries and Thailand, resulting in improvement in supply of products in demand and the Thai government's relaxation of some measures to contain the infection. Moreover, demand of some product groups increased markedly in accordance with the government's policy pertaining to work from home and relaxation of laws related to online meetings.

In this quarter, gross profit margin improved. In addition, the Company continued to emphasize on cost and administrative expenses control by incorporating technology into work processes in order to enhance operational efficiency, which results in a sustainable business growth.

Please kindly be informed accordingly.

Yours faithfully,

(Sutida Mongkolsuthree)  
Chief Executive Officer