



Ref. OS 2020/023

August 11, 2020

Subject : Management Discussion and Analysis for Quarter 2/2020

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, 2020 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 2020 was 6,150 Million Baht, an increase of 1,183 Million Baht or 23.8% from the same period of last year. This was mainly an increase from all product groups except Consumer product which affected by nationwide lockdown measures from COVID-19 situation. The increase were as follows:

- Phone increased 907 Million Baht because the Company has just been appointed to be a distributor of Xiaomi in the fourth quarter of last year, resulting in the sales increasing from this brand.
- Value Added increased 254 Million Baht from Project sales.
- Commercial increased 43 Million Baht and
- Others increased 46 Million Baht from CCTV because the Company was appointed as a distributor of Dahua in this quarter.

2) Net Profit

Net Profit of the Company and its subsidiaries for the Second Quarter of 2020 was 147 Million Baht, an increase of 42 Million Baht or 54.0% from the same period of last year. The main reason were as follows:

- Gross Profit Margin improved from 6.6% to 7.1% due to lower price competition from supplies shortage in the COVID-19 situation.
- Gain on exchange rate of 11 Million Baht
- The Company received a share of 2 Million profit from investments in associated companies while received a share of 7 Million loss from investments in associated companies in the same period of last year.



- Other expenses had no significant changed except impairment loss on financial assets of 76 Million Baht in this quarter because the impairment loss on financial assets has been made for delayed payment and expected to be problem of receivables.

Yours sincerely,

Mr. Somchai Sittichaisrichart
Managing Director