

August 7, 2019

Subject: Management Discussion and Analysis for Quarter 2 ended June 30, 2019

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 2 ended June 30, 2019 as reviewed by the authorized Company's auditor as follows:

Description	Quarter 2/2019		Quarter 2/2018		YoY	
	MB	%	MB	%	MB	%
Income from operations	7,881.27	100.00	9,573.34	100.00	(1,692.07)	(17.67)
Operating Cost	7,544.14	95.72	9,181.58	95.91	(1,637.44)	(17.83)
Gross profit	337.13	4.28	391.76	4.09	(54.63)	(13.94)
Selling and Administrative expenses	211.02	2.68	210.69	2.20	0.32	0.15
Net profit	118.79	1.51	161.19	1.68	(42.40)	(26.30)
Basic earnings per share (THB)	0.15		0.21			

Quarter 2/2019, Sales and Services revenue amounted to THB 7,881.27 Million, decreasing by THB 1,692.07 Million or 17.67% compared to last year. Gross Profit declined by THB 54.63 Million from the same period last year to THB 337.13 Million. Selling and Administrative expenses increased slightly by THB 0.32 Million from Quarter 2/2018 to THB 211.02 Million. During the second quarter of 2019, the Company made a donation for public interest in the amount of approximately THB 10 Million. Net Profit amounted to THB 118.79 Million, decreasing by THB 42.40 Million or 26.30% from the same period last year.

The decline in revenue in this quarter was mainly driven by customers' reluctance to purchase Consumer Products amid uncertainty over trade policy between US and China. However, higher revenue from sales of Commercial Products, the introduction of various new branded products, corresponding to the latest advance in technology and market demand, as well as continued focus on before and after sale services would help revenue and operating performance to recover in the second half of the year. Moreover, the company continued to control both selling and administrative expenses in order to enhance operating efficiency and leveraged technology to improve business operation to create sustainable growth opportunity.

Description	6M/2019		6M/2018		YoY	
	MB	%	MB	%	MB	%
Income from operations	17,435.05	100.00	18,483.74	100.00	(1,048.69)	(5.67)
Operating Cost	16,698.63	95.78	17,660.03	95.54	(961.40)	(5.44)
Gross profit	736.42	4.22	823.71	4.46	(87.29)	(10.60)
Selling and Administrative expenses	430.57	2.47	427.30	2.31	3.27	0.76
Net profit	302.93	1.74	371.05	2.01	(68.12)	(18.36)
Basic earnings per share (THB)	0.38		0.48			

For the first half of the year 2019, revenue from Sales and Services totaled THB 17,435.05 Million and decreased by THB 1,048.69 Million, or 5.67%, from the same period last year. Gross profit margin decreased from last year due to revenue shortfall and a one-time special support from vendor to build sale growth and customer expansion in Quarter 1/2018. Net profit totaled THB 302.93 Million, decreasing by THB 68.12 Million, or 18.36%, from the same period last year. The Company closely monitored operating expenses to be at an appropriate level to enhance efficiency and effectiveness in management and operation.

Dividend Summary	H1/2019	H1/2018	FY2018
Dividend per share	0.15	0.20	0.64
Payout Ratio (% of Net Profit)	40.54%	42.55%	69.57%

The Board of Directors' Meeting no. 3/2019 passed a resolution to approve the payment of interim dividend from the six-month period ended June 30, 2019 at a rate of THB 0.15 per share. The Record Date for determination the list of shareholders for the right to receive the interim dividend payment is scheduled on August 21, 2019 and the interim dividend payment is scheduled on September 2, 2019.

Please kindly be informed accordingly.

Yours faithfully,

(Sutida Mongkolsuthree)
Chief Executive Officer