

November 7, 2019

Subject: Clarification of the quarter 3/2019'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 3 ended September 30, 2019 as reviewed by the authorized Company's auditor as follows:

Description	Quarter 3/2019		Quarter 3/2018		YoY	
	MB	%	MB	%	MB	%
Income from operations	7,916.39	100.00	9,331.93	100.00	(1,415.55)	(15.17)
Operating Cost	7,619.48	96.25	8,938.09	95.78	(1,318.61)	(14.75)
Gross profit	296.91	3.75	393.84	4.22	(96.94)	(24.61)
Selling and Administrative expenses	220.73	2.79	222.08	2.38	(1.35)	(0.61)
Net profit	93.71	1.18	160.78	1.72	(67.07)	(41.72)
Basic earnings per share (THB)	0.11		0.21			

Quarter 3/2019, Sales and Services revenue amounted to THB 7,916.39 Million, decreasing by THB 1,415.55 Million or 15.17% compared to last year. Gross Profit declined by THB 96.94 Million or 24.61% from the same period last year to THB 296.91 Million. Selling and Administrative expenses amounted to THB 220.73 Million, decreasing by THB 1.35 Million from the same period last year to THB 222.08 Million. Net Profit amounted to THB 93.71 Million, decreasing by THB 67.07 Million or 41.72% from the same period last year.

Key driver for more than 20% change in the operating performance in the third quarter of 2019 was the deferment of orders in consumer product group amid the ongoing uncertainty of trade dispute between the US and China. However, impact from such factor has been gradually reduced, resulting in a slight increase in revenue from the previous quarter. Furthermore, the decline in gross profit margin was a result of higher mix of sales of products with lower gross margin. 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	9M/2019		9M/2018		YoY	
	MB	%	MB	%	MB	%
Income from operations	25,351.44	100.00	27,815.68	100.00	(2,464.24)	(8.86)
Operating Cost	24,318.11	95.92	26,598.12	95.62	(2,280.01)	(8.57)
Gross profit	1,033.33	4.08	1,217.56	4.38	(184.23)	(15.13)
Selling and Administrative expenses	651.30	2.57	649.38	2.33	1.92	0.30
Net profit	396.64	1.56	531.83	1.91	(135.19)	(25.42)
Basic earnings per share (THB)	0.49		0.69			

For the period of 9M/2019, revenue from Sales and Services totaled THB 25,351.44 Million, decreasing by THB 2,464.24 Million or 8.86% from the same period last year impact from the ongoing uncertainty of trade dispute between the US and China. 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 396.64 Million, decreasing by THB 135.19 Million, or 25.42%, 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.

Please kindly be informed accordingly.

Yours faithfully,

(Sutida Mongkolsuthree)  
Chief Executive Officer