

August 6, 2020

Subject: Management discussion and analysis of the company performance for 3-month period ended 30 June 2020

Dear President

The Stock Exchange of Thailand

Stars Microelectronics (Thailand) Public Company Limited (The Company) would like to provide the explanation concerning the operation results of the company and its subsidiary for 3-month period ended 30 June 2020 reported the net profit of 37.07 million baht compare with net profit of 7.76 million baht the same period in 2019.

### **Revenue from sales and services**

During the second quarter of 2020, the company reported revenue from sales and services of 492.59 million Baht which increased by 12.93 million Baht, or 2.70%, from the previous year. The increasing of revenue compared to last quarter were contributed by all business units. Moreover, the pandemic of COVID-19 has had a little impact on the company's operations compared to other businesses and current economic conditions.

### **Cost of sales and services**

Total cost of sales and services was 381.84 million Baht, decreased by 17.76 million Baht, or 4.44% from the same period of previous year due to better improve of internal cost management and aligned to the actual production.

### **Gross profit**

Gross profit for the 2<sup>st</sup> quarter was 110.75 million Baht, increased by 30.68 million Baht, or 38.32% from the same period of the previous year mainly from production mix in some area that contributed high margin.

### **Selling and administration expenses**

Selling and administration expenses was 72.23 million Baht, increased by 6.31 million Baht or 9.50% from the same period of previous year due to the increasing in sale capability in order to penetrate the international market.

### **Other incomes**

The Company reported other incomes of 7.83 million Baht, increased 1.32 million Baht or 20.28% from the previous year.

## Financial Cost

The Company reported finance costs of 8.33 million Baht, decreased by 5.11 million Baht, or 38.04% from the previous year mainly from repayments of principal.

## Earnings before Interests, Taxes, Depreciation and Amortization (EBITDA)

The Company reported EBITDA of 113.43 million Baht, increased by 24.65 million Baht or 27.76%.

## Assets

At the 2<sup>nd</sup> quarter end of 2020, the Company reported assets of 2,654.85 million Baht, decreased by 140.97 million Baht or 5.04% from the same period in 2019.

## Liabilities

At the 2<sup>nd</sup> quarter end of 2020, the Company reported liabilities of 1,403.02 million Baht, decreased by 147.63 million Baht or 9.52% from the same period in 2019.

## Shareholders' equities

At the 2<sup>nd</sup> quarter end of 2020, the Company reported shareholder's equities of 1,251.83 million Baht, increased by 6.66 million Baht or 0.53% from the same period in 2019 as company has profitable operations.

Please be informed accordingly

Yours sincerely,  
Stars Microelectronics (Thailand) Public Company Limited

(Mr. Chotisak Promwas)  
Chief Finance Officer  
Stars Microelectronics (Thailand) Public Company Limited