

November 13 ,2020

Dear Director and The Manager of SET

Re: Clarification on the Operating Result of Quarter 3/2020

Thailand economy's condition of Quarter 3/2563 was continued to shrink by domestic and international demand, which affected from the impact of coronavirus (COVID-19) pandemic. The measures of the government sector to control the spread of the virus, therefore the limit of inbound and outbound travel was continued and it extremely affected the shrinkage of tourism sector. Furthermore, the impact of export sector caused by the weak demand of the trade partner countries and it continuously affected to the slowdown of Thailand economic activities at almost of every sector both for consume and investment of the private sector as well as the high shrinkage of the production from industrial sector. However, the government sector and related sectors had laid down the measures to stimulate the expenditure and relieve the economic impact such as Cash Relief amount of Baht 5,000 per month, increase of credit limit, debt moratorium measure, to assist for state welfare card holders and to stimulate domestic tourism under "We Travel Together" project; buying power of the consumers have remained stagnant which correspondent to the low level of Consumer Confidence Index, while household debt has steadily increased and anxiety for employment situation in the future, all these affected to the expenditure of the consumers carefully. According to the economic factors as above mentioned, the Company's sales revenue was Baht 248.16 million. It decreased Baht 17.51 million or equivalent to 6.59% compared to previous year. Gross profit was Baht 111.22 million. It decreased Baht 16.32 million or equivalent to 12.80 % compared to previous year. It's a result from the decrease of sales revenue. However, the gross profit ratio toward sales revenue was decreased 48.01 % from previous year to 44.82%. It came from the sales of high cost goods with the higher portion and the sales promotion activities to clear existing goods. Distribution cost and administrative expenses amount to Baht 108.53 million. It decreased Baht 14.12 million or equivalent to 11.51% which gained from the expenditure adjustment to the categories of employees, marketing cost and rental fee, in order to reduce the impact of decreasing sales revenue.

Other revenue was Baht 1.97 million, it decreased Baht 1.46 million or equivalent to 42.59% compared to previous year. It gained from the dividend received and rent received. Financial income was Baht 0.44 million, it decreased Baht 0.28 million or equivalent to 39.42%. It gained from the decrease of deposit interest rate and the loss from fair value measurement of other current financial

assets which is short-term investment amount to Baht 0.13 million. Previous year, the Company gained profit amount to Baht 0.09 million.

The Company's financial structure was in the strength level and cash flow could be managed effectively, hence there was no interest paid from loan agreement but there was interest expense from lease agreement amount to Baht 0.23 million. Since 1 January 2020, the Company has adopted the Accounting Standards – IFRS 16 “Leases” to practice and there was no retrospective restatement of previous year as comparative. According to the above reasons, they affected to the Company's profit before corporate income tax amount to Baht 4.72 million. It decreased Baht 4.41 million or equivalent to 48.30% and after the deduction of corporate income tax, the Company gained net profit amount to Baht 3.55 million. It decreased Baht 3.68 million or 50.91%.

Very truly yours,

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Mrs. Teerada Ambhanwong
Managing Director&CEO