



No. Lor Gor. 023/2020

November 16, 2020

President

The Stock Exchange of Thailand

Re : Clarification on the company's over 20% change in its operating results for 3rd quarter, 2020

Dear Sir,

Thai Wacoal Public Company Limited wishes to hereby report to the SET, its clarification report regarding the company's consolidated operating results for 3rd quarter, 2020, ending September 30, 2020, according to the details as follows :

Operating results for 3rd quarter, 2020

The company could posted net loss of Baht 232.95 million, compared to the net profit of Baht 81.83 million from the same period last year, representing a decrease of Baht 314.78 million or 384.68% YoY, which could be largely attributed to the factors as follows :

1. The company had total sales revenue of Baht 882.21 million, representing a decrease of Baht 390.58 million or 30.69% YoY. This was because the global economy has been affected by the pandemic of Coronavirus Disease 2019 (COVID-19) as well as Thai economy contracts in all business sectors even though there will be a better direction. However, consumers are still cautious with their spending and Thailand has issued the lockdown measures for the group of foreign tourists. It resulted in lower sales revenue when compared to the same period last year.
2. The company had gross profit of Baht 124.63 million, representing a decrease of Baht 327.15 million. The company's gross profit margin in Q3/2020 was 14.13%, compared to gross profit margin of 35.50% in Q3/2019. It was due to lower sales revenue while the company having labor cost which is fixed cost. In addition, the company had expenses from the Early Retirement Project, resulting in lower gross profit margin of 21.37%

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- 2 -

3. The company had loss before income tax of Baht 245.69 million, compared to the profit before income tax of Baht 96.14 million from the same period last year, representing a decrease of Baht 341.83 million due to the decrease of domestic and export sales revenue. In addition, the company had expenses from the Early Retirement Project of Baht 152.29 million in Q3/2020.

The company hereby reports to the SET accordingly.

Sincerely yours,

Boondee Amnuayskul

(Mr. Boondee Amnuayskul)

Chief Executive Officer and Managing Director