

February 22,2022

Dear Director and The Manager of SET

Re: Clarification on the Operating Result for the Year 2021

The year 2021, the Company had total sales revenue of Baht 718.68 million, representing a decrease of Baht 144.21 million or 16.71%. Due to the impact of the Delta variant of Coronavirus Disease 2019 (COVID-19), which is more aggressive. According to the strict pandemic control measures both in domestic and abroad, it has affected economic activity widely and slowdown in almost all sectors either consumes and investment of private sectors. Industrial production remained highly shrinking while household incomes decreased. However, the government and related agencies have tried to establish measurement to stimulate spending and mitigate economic impact. Household sector still has problems with purchasing power, as well as the debt burden that continues to rise and the worries about future employment's situation. As a result, consumers are very cautious about spending, and at the same time, distribution of COVID-19 vaccines continues throughout the year with better signs of recovery from the plague. Therefore, Thailand began to reopen the country to welcome the tourists again in the fourth quarter. By the end of the year, the Omicron wave appeared to be cresting across the world. Therefore, the government has delayed various easing measures. The cost of goods sold was Baht 409.66 million or equivalent 57% of sales revenue, representing an increase of 2.91% compared to the same period last year. This is due to the sales of high-cost products in greater proportions and to implement promotional activities for clearing old merchandise. Total distribution cost and cost of administration was Baht 353.83 million, representing a decrease of Baht 51.90 million compared in the same period last year or equivalent 12.79%, which came from the reduction of expenditure in various categories such as employees, marketing expense, and rental fee, in order to decrease impact of the decline in sales.

Other revenues were Baht 8.42 million, it decreased Baht 0.59 million from previous year or a decrease of 6.53 %, which gained from dividends and interest income. Financial income was Baht 0.33 million, a decrease of Baht 1.45 million or 81.54% which gained from a decrease of fixed deposit.

Financial cost, which consist of lease interest expense and loan interest, amounting to Baht 1.74 million. It increased Baht 0.76 million or equivalent 77.87%, which the majority gained from the interest expense on short-term loans. Profit from the sale of unused land next to Home Pro. Rama 3, amounting to Baht 35.40 million. Previous year, the Company gained profit from the sale of right-of-use assets at Siam Paragon amounting to Baht 5.97 million. According to the above mentioned reasons, the Company has a loss before income tax, amounting to Baht 2.40 million. It decreased Baht 8.54 million or equivalent to 139.17%. And when deducting

forensic income tax, the net loss was Baht 2.89 million representing a decrease of Baht 8.00 million or equivalent 156.47% compared to the same period last year.

Very truly yours,

.....

Mrs. Teerada Ambhanwong

Managing Director&CEO