

May 10,2022

Dear Director and The Manager of SET

Re: Clarification on the Operating Result for the Quarter 1/2022

As for the Thai economic outlook during the first quarter of 2022 is recovered despite the impact of the Omicron variant of Covid-19 that has severity since the beginning of 2022, while inflation pressures mount as oil price. This is partly due to the impact of conflicts between Russia and Ukraine. Therefore, consumer confidence dropped, consumption and private investment declined. Nevertheless, Thailand is driven by an export sector that is expected to grow in line with demand from main trading countries and combined with government measures such as Good Shopping, has a Return Project and Half each Person Project to support spending in the country. In the meantime, the tourism sector will be gradually and slowly recovering, despite the measure of travel restriction. According to the aforementioned economic factors, it's a result of the Company's sales amount which was Baht 209.00 million, it increased Baht 7.60 million or equivalent 3.77% from the same period of previous year. The cost of goods sold was Baht 124.48 million, it increased Baht 14.45 million or equivalent 13.13% from the same period of previous year. This was due to an increase in sales. The rate of cost of goods sold per sales increased 54.63% from previous year to 59.56% this 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 89.10 million, a decrease of Baht 4.70 million from the same period of previous year or equivalent 5.01%, which came from the control of expenditure in various categories such as employees, marketing expense, and rental fee, in order to reduce impact of the decline in sales.

Other revenues were Baht 2.45 million, it increased Baht 1.29 million from previous year or an increase of 111.87 %, which gained from expense reimbursement, which was a promotional grant from suppliers. Financial income was Baht 0.06 million, a decrease of Baht 0.15 million or 73.43% which gained from a decrease of fixed interest earned and the profit on Fair Value Measurement of other current financial assets, which were short-term investments amounting to Baht 0.08 million.

Financial cost, which consisted of lease interest expense and loan interest, amounting to Baht 0.33 million. It decreased Baht 0.04 million or equivalent 10.03%. According to the aforementioned reasons, the Company has a loss before income tax, amounting to Baht 2.33 million. It increased Baht 0.91 million or equivalent 63.74%. Income tax revenue, amounting to Baht 0.01million, from the change in temporary differences from deferred taxes, therefore, the net loss was Baht 2.32 million representing an increase of Baht 1.01 million or equivalent 76.87% compared to the same period of previous year.

Very truly yours,

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Mrs. Teerada Ambhanwong

Managing Director&CEO