

August 9,2022

Dear Director and The Manager of SET

Re: Clarification on the Operating Result for the Quarter 2/2022

In the 2022 second quarter, Thailand's economy was showing signs of recovery along with economic activities' improvement after the COVID-19 pandemic was getting better and the city was fully opened. Therefore, consumption and private investment returned to expansion. Meanwhile, consumer confidence was declined by concerning over the high cost of living and rising inflation, as a result from the Russia-Ukraine Conflict. The export sector began to slightly decline remained have expansion in accordance with the income growth of trading partners. The tourism sector has well recovered by having an increase in the number of international tourists, due to the easing of travel restrictions in Thailand and abroad. While the manufacturing sector and the industrial sector were declined amid a shortage of manufacturing parts. As a result of the aforementioned economic factors, the Company's sales amounted to Baht 209.54 million. This increased by Baht 52.16 million or 33.14%, compared to the same period last year. Cost of goods sold was Baht 125.81 million. This increased by Baht 35.18 million or 38.82%, compared to the same period last year. This is a result of an increase in sales. However, the cost of goods sold rate per sales increased from 57.58% in previous year to 60.04%, it's caused by the larger proportion of high-cost goods sold and to hold promotional events to clear old goods. Distribution costs and administrative expenses were Baht 96.99 million. It increased only Baht 4.94 million, compared to the same period last year or equivalent 5.37% which gained from the increase in advertising and promotional category.

Other revenues were Baht 4.03 million, it increased Baht 0.05 million from previous year or an increase of 14.05 %, gaining from expense reimbursement, which was a promotional grant from suppliers. Financial income was Baht 0.08 million. It's slightly decreased when compared to the same period last year. The Company still have profit on Fair Value Measurement of other current financial assets, which were short-term investments amounting to Baht 0.11 million.

Financial cost, which consisted of lease interest expense and loan interest, amounting to Baht 0.33 million. It decreased Baht 0.07 million or equivalent 16.84%. According to the aforementioned reasons, the Company has a loss before income tax, amounting to Baht 9.38 million. It decreased Baht 12.70 million or equivalent 57.52%. Income tax revenue, amounting to Baht 1.78 million, from the change in temporary differences from deferred taxes, therefore, the net loss was Baht 7.60 million representing a decrease of Baht 9.93 million or equivalent 56.64% compared to the same period of previous year.

Very truly yours,

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Mrs. Teerada Ambhanwong

Managing Director&CEO