

November 8,2022

Dear Director and The Manager of SET

Re: Clarification on the Operating Result for the Quarter 3/2022

In the third quarter of 2022, consolidated the Company's sales amounted to Baht 205.25 million, an increase of Baht 75.42 million or 58.09%, as a result of the lower sales base compared to the same period last year. According to the impact of government lockdown measures, attributed to the Thai economy that has continued to recover gradually, in particular the tourism sector continued to expand from the relaxation of international travel restrictions. Private consumption was stable from the previous period. Though household incomes and consumer confidence recovered in line with the COVID-19 pandemic that unfolded, as well as more comprehensive vaccine distribution, it remained under pressure by the high cost of living. As a result of rising inflation, in accordance with the increase in the price of energy and consumer goods. Meanwhile, private investment was gradually starting to recover in line with the recovery direction of the manufacturing and commercial sectors. However, the export sector grew at a slower pace in line with the slowdown in the global economy. Cost of goods sold was Baht 118.53 million. This increased by Baht 42.81 million or 56.54 %, compared to the same period last year. This was a result of an increase in sales. However, the cost of goods sold rate per sales decreased from 58.32% in previous year to 57.75%, it's caused by the reduced proportion of high-cost goods sold. Meanwhile, distribution costs and administrative expenses were totally Baht 105.88 million. It increased Baht 30.51 million, compared to the same period last year or equivalent 40.48 % which gained from an increase in the categories of marketing expenditure, sales promotion and employee wages but it also increased at a lower rate than sales.

Other revenues were Baht 5.85 million, it increased Baht 4.33 million from previous year or an increase of 285.32 %, gaining from expense reimbursement, which was a promotional grant from suppliers. Financial incomes were Baht 0.11 million. It's highly increased when compared to the same period last year. It gained from bank deposits that are abundant. The Company still has profit on Fair Value Measurement of other current financial assets, which were short-term investments amounting to Baht 0.16 million.

Financial cost, which consisted of lease interest expense and loan interest, amounting to Baht 0.32 million. It decreased Baht 0.20 million or equivalent 38.29%. According to the aforementioned reasons, the Company has a loss before income tax, amounting to Baht 13.36 million. It decreased Baht 6.90 million or equivalent 34.05%. Income tax revenue, amounting to Baht 2.47 million, gained from the change in temporary differences from deferred taxes, therefore, the net loss was Baht 10.88 million representing a decrease of Baht 5.64 million or equivalent 34.13 % compared to the same period of previous year.

Very truly yours,

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Mrs. Teerada Ambhanwong

Managing Director&CEO