

February 21,2023

Dear Director and The Manager of SET

Re: Clarification on the Operating Result for Year 2022

In 2022, the Thai economy continuously recovered after the COVID-19 was eased, resulting in the economic activity to gradually resume normal operations. In addition, the tourism sector has gradually grown up after easing of international travel restrictions in the middle of the year. Private consumption began to expand according to recovering household income and combined with measures to support government spending through various projects which were continued from the previous year, and measures to mitigate the impact of the energy price crisis. However, purchasing power in the country remains pressured by the rising cost of living and a rise in oil prices contributes to inflation, which it's partly due to conflict between Russia and Ukraine that remains protracted, including sanctions against Russia from allied nations. The export sector expanded well in the first half of the year but it began to slow down in the last quarter of the year in line with signs of a global economic slowdown. Meanwhile, the manufacturing sector remains sluggish for this year among the shortages of production parts. According to the above-mentioned economic factors, as a result, the Company's sales amounting to Baht 860.11 million, It increased Baht 141.43 million, or equivalent to 19.68%. Cost of goods sold Baht 494.44 million or equivalent to 57.49% of total sales revenues. It increased by 0.48% as compared to previous year, which was 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 410.07 million, representing an increase of Baht 56.24 million as compared to previous year or 15.90% increase, which came from the increase of employee category and marketing expense but it increased at a lower rate than sales amount.

Other revenues were Baht 15.49 million, it increased Baht 7.07 million from previous year or an increase of 83.96 %, which gained from dividends and expenses compensation revenues. There was also a profit from measuring the fair value of other current financial assets of Baht 0.67 million. After all items have been subtracted, the loss from operating activities was Baht 28.25 million. Meanwhile, the loss from operating activities in previous year was only Baht 0.99 million because in the previous year, there was a profit from the sale of unused land located next door to Home Pro, Rama 3, amounting to Baht 35.40 million.

Financial income was Baht 0.38 million. It increased Baht 0.05 million or equivalent to 14.71% deriving from increased deposits. Financial cost, which consist of lease interest expense and loan interest, amounting to Baht 1.32 million. It decreased Baht 0.43 million or equivalent to 24.54%, which majority was gained from the interest expense on short-term loans. According to the above mentioned reasons, the Company has a loss before income tax, amounting to Baht 29.19 million. It increased Baht 26.79 million and income tax revenue, amounting to Baht 4.43 million. Therefore, the net loss was Baht 24.77 million representing an increase of Baht 21.88 million or equivalent to 757.72% compared to the same period last year.

Very truly yours,

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Mrs, Teerada Ambhanwong

Managing Director&CEO