

May 10,2023

Dear Director and The Manager of SET

Re: Clarification of the Operating Result for Quarter 1/2023

Thai economic situation in the first quarter of 2023, with direction of improvement. The main factor came from the recovery of the tourism sector after easing of international travel restrictions and the situation of the COVID-19 pandemic has eased. Therefore, the number of foreign tourists entering Thailand has been steadily increasing, which could result in an increase of consumer confidence index and business confidence index. The results showed a positive impact on employment, consumptions and investment of private sectors. In addition, the government has issued measures to boost the spending of people such as the measure of the Shop and Refund program. Consumers could use the tax invoice when purchasing goods or services to reduce personal income tax up to Baht 40,000. This helped to maintain the level of domestic consumption. Meanwhile, export sectors remained weak due to lower trading partner demand amid a global economic slowdown. According to the above mentioned economic factors, the results showed the Company's sales amounting to Baht 228.93 million. It increased Baht 19.94 million or equivalent to 9.54% from the same period previous year. Cost of goods sold Baht 124.13 million, a decrease of Baht 0.35 million or equivalent to 0.28% from the same period previous year. The ratio of cost of goods sold toward sales decreased 59.56% from last year to 54.22%. This was due to the implementation of promotional activities for clearing old merchandise of the clothing and hair product group. Total distribution cost and cost of administration was Baht 107.40 million, representing an increase of Baht 18.30 million as compared to previous year or 20.54%, which came from the increase of employee's category and marketing expense.

Other revenues were Baht 2.77 million, it increased Baht 0.32 million from previous year or an increase of 13.25 %. These gained from expenses compensation revenues, which were Supplier promotional grants. Other financial revenues were Baht 0.09 million. It increased Baht 0.04 million or equivalent 67.27%, which gained from an increase of interest incomes. There was also a profit gained from measuring the fair value of other current financial assets which are short-term investments Baht 0.42 million.

Financial cost, which consists of lease interest expense based on the application of Financial Reporting Standard No. 16 on Lease Agreements (TFRS 16) was Baht 0.32 million. It decreased Baht 0.02 million or was 5.12% from the previous year. According to the above mentioned reasons, the Company had a profit before income tax, amounting to Baht 0.38 million. It increased Baht 2.71 million or was 116.09%. Therefore, the net profit was Baht 0.06 million after deduction of income tax which represented an increase of Baht 2.37 million or equivalent to 102.42% compared to the same period last year.

Very truly yours,

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Mrs, Teerada Ambhanwong

Managing Director&CEO