

Aug 9,2023

Dear Director and The Manager of SET

Re: Clarification of the Operating Result for Quarter 2/2023

In the second quarter of 2023, the Thai economy was in the direction of a gradual recovery of the tourism sector that increased in line with numbers of foreign tourists gradually. It affected confidence and improvement of private consumption, while household incomes are expected to improve. However, the expansion of economic activity was pressured by the high cost of living and debt burden. Therefore, it affected the Thai economy that has not fully recovered in all sectors. Moreover, the export sectors remained weak due to the decline of trading partners' demand amid the global economic slowdown. According to the above mentioned economic factors, the results showed the Company's sales amounting to Baht 214.22 million. It increased Baht 4.69 million or equivalent to 2.24% from the same period previous year. Cost of goods sold Baht 112.80 million, a decrease of Baht 13.01 million or equivalent to 10.34% from the same period previous year. The ratio of cost of goods sold toward sales decreased 60.04% from last year to 52.65%. This was due to the implement of promotional activities for clearing old merchandise of hair products segment. The cosmetic products segment has a larger proportion of low-cost product sales. Total distribution cost and cost of administration was Baht 116.53 million, representing an increase of Baht 19.53 million as compared to previous year or 20.14%, which came from the increase of employee's category and marketing expense. This is to stimulate sales and increase the competitive advantage of the market.

Other revenues were Baht 3.10 million, it increased Baht 0.80 million from previous year or an increase of 34.74 %. These gained from expenses compensation revenues, which were supplier promotional grants. Revenues from dividend incomes were Baht 16.14 million, it increased Baht 14.41 million or equivalent 835.90%, which gained from the Company's dividend payment of Thai Samsung Electronics Co., Ltd. Other financial revenues were Baht 0.17 million. It increased Baht 0.09 million or equivalent 117.11%, which gained from an increase of interest incomes. There was also a profit gaining from measuring the fair value of other current financial assets amounting to Baht 0.61 million, which are short-term investments.

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 0.30 million. It decreased Baht 0.03 million or was 8.28% from previous year. According to the above mentioned reasons, the Company had a profit before income tax, amounting to Baht 4.61 million. It increased Baht 13.99 million or was 149.15%. Income tax revenues amounted to Baht 2.11 million. Therefore, the net profit was Baht 6.72 million, an increase of Baht 14.32 million or equivalent to 188.34% compared to the same period last year.

Very truly yours,

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Mrs, Teerada Ambhanwong
Managing Director&CEO