



August 11, 2023

Subject : Clarification of the operating results for the second quarter of 2023

To : The President
The Stock Exchange of Thailand

TVD Holdings Public Company Limited ("the Company") would like to clarify the operating results for the second quarter of 2023 ended June 30, 2023 as per the consolidated financial statement reviewed by the Certified Auditor as follows:-

(Unit : Million Baht)	Quarter 2 2023	Quarter 2 2022	Increase (Decrease)	% Change
Revenues from sale and services	530.43	537.22	(6.80)	-1.27%
Cost of goods sold and services	322.56	311.40	11.16	3.58%
Gross profit	207.87	225.83	(17.96)	-7.95%
Other income	15.46	0.20	15.26	7702%
Profit befor expenses	223.33	226.03	(2.69)	-1.19%
Media Costs	118.47	114.41	4.06	3.55%
Distribution Costs	157.43	164.58	(7.14)	(4.34%)
Administrative expenses	155.43	83.20	72.23	86.81%
Loss from impairment of investments	24.62	-	24.62	0.00
Other expenses	18.50	1.80	16.70	927.78%
Finance Costs	5.90	3.67	2.23	60.76%
Income tax income (expense)	15.42	1.81	13.61	751.93%
Profit (loss) for period	(241.60)	(139.83)	(101.77)	-72.78%
Profit (loss) attributable to the equity holders of company	(237.70)	(121.23)	(116.47)	-96.08%

1. Revenues from sales and services

The Company had revenue from sales and services for the second quarter of 2023 amounting to 530.43 Million Baht, a decrease of 6.80 Million Baht or 1.27% from the same period last year. The main reason is sales cannot meet the target. The Company has expanded sales channels, add more online marketing channels in order to reach each type of customer group. It is expected that the Company will be able to continuously increase sales, according to the set goals.

2. Cost of Goods Sold and Gross Profit

The Company's Cost of Goods Sold for the second quarter of 2023 was 322.56 Million Baht, an increase of 11.16 Million Baht or 3.58% from the same period last year, As a result, the Gross Profit margin to sale for the second quarter of 2023 was 39.19%, lower than the same period last year with a Gross Profit margin of 42.04%. The Gross Profit margin decreased from the sale of products with a lower margin. In addition, during the period, the Company increased cost of marketing support in the amount of 8.29 Million Baht.

3. Media costs

The Company had media costs for the second quarter of 2023 of 118.47 Million Baht, an increase of 4.06 Million Baht or 3.55% from the same period last year because increasing the efficiency of channel management, reducing some channels. In addition, during the period the Company increased cost of advertising media by 7.05 Million Baht.

4. Distribution costs

The Company had distribution costs for the second quarter of 2023 of 157.43 Million Baht, a decrease of 7.14 Million Baht or 4.34% from the same period last year, The result of controlling the number of employees to suit the workload and increasing sales efficiency by using Program Software.

5. Administrative expenses

The Company's administrative expenses for the second quarter of 2023 was 188.55 Million Baht, an increase of 113.55 Million Baht or 88.24% from the same period last year, the reasons as follow:

- During the period, The Company recorded an allowance for expected credit losses from freight forwarder receivables, uncollected cash on delivery (COD) amounts of 41.80 Million Baht and receivables from sales of goods and transportation services amounts of 11.20 Million Baht.
- During the period, The Company has considered the impairment of other investments (Future investment) in the amount of 24.62 Million Baht.
- During the period, The company has considered restructuring the internal structure of the company group and reducing the number of branches therefore recorded impairment of building improvements and program software in the amount of 18.40 Million Baht.
- During the period, The Company has recorded an estimated loss from a contract of organizing a music festival in the amount of 8.88 Million Baht.
- During the period, the Company recorded an allowance for obsolete inventory because inventory non movement amounts of 50.21 Million Baht.

6. Net Profit (loss)

The Company had a net loss attributable to the parent company in for the second quarter of 2023 of 237.70 Million Baht, loss increased from the same period last year in the amount of 116.47 Million Baht or 96.08% as a result of lower sales and restructuring within the organization to be more efficient.

Please be informed accordingly.

Yours faithfully,

(Miss Jiraporn Pinijnorachai)
Acting Company Secretary