

Feb 21,2024

Dear Director and The Manager of SET

Re: Clarification of the Operating Result for the Year 2023

In 2023, the Thai economy had its direction of recovery not in all groups while a major driver came from the tourism sector. In this regard, the number of foreign tourists was steadily increasing and could help support employment and private consumption to expand. Private investment expanded at a low rate. Government spending slowed down, especially in Q4/2023, due to the problem of the 2024 expenditure budgeting process that was delayed from the previous year, it affected the disbursements to be lower than normal. However, the expansion of economic activity was pressured by the cost of living problem and chronic high household debt and consumer confidence remained weak on concerns over political uncertainty. In addition, the Thai economy encountered a Policy Transition to Normalcy, this includes gradually reducing the role of government measures in mitigating the impact of the COVID-19 crisis in the previous period and Policy Interest Rate that stays at a higher level. In addition, the export sector remained weak due to lower demand from trading partners amid the global economic slowdown. Meanwhile, financial conditions are tight in many countries. According to the above-mentioned economic factors, as a result, the Company's sales amounted to Baht 915.28 million. It increased Baht 55.17 million or equivalent to 6.41%. Cost of goods sold Baht 482.73 million or equivalent to 52.74% of total sales revenues. It decreased by 2.37% as compared to previous year, due to the sales of low-cost goods in greater proportions of both cosmetics products and apparel products. Total distribution cost was Baht 338.13 million, representing an increase of Baht 68.85 million or equivalent to 25.57% which gained from an increase in the category of employment expenses in order to increase the incentive to generate sales amount and marketing expenditure category, which was the cost of advertising media to promote products to create awareness and promotional fees for encouraging customers to purchase faster and more frequently. There were administrative costs of the amount Baht 136.75 million. It decreased Baht 4.04 million or equivalent to 2.87% which came from effectively controlling spending in various categories.

Other revenues were Baht 14.72 million, it increased Baht 3.02 million from previous year or an increase of 25.86 %, 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 16.21 million. It increased Baht 12.41 million from previous year or equivalent to 327.10%, which gained from Thai Samsung Electronics Co., Ltd.'s dividend payment. And there was also a profit from measuring the fair value of other current financial assets which was a short-term investment of Baht 2.04 million. After all items have been subtracted, the loss from operating activities was Baht 9.36 million. The loss decreased Baht 18.89 million from previous year or equivalent to 66.85%.

Financial income was Baht 0.41 million. It increased Baht 0.04 million or equivalent to 9.85% deriving from increased deposit rate. Financial cost, which consist of lease interest expense and interest on loan, amounting to Baht 1.16 million. It decreased Baht 0.15 million or equivalent to 11.71%. All of the reasons mentioned above, it's a result that the Company had a loss before income tax amount of Baht 10.11 million. It decreased to Baht 19.08 million. As the Company gained from income tax revenue amounting to Baht 3.84 million, therefore, the net loss was Baht 6.27 million representing a decreased Baht 18.49 million or equivalent to 74.68% compared to the same period of previous year.

Very truly yours,

.....

Mrs, Teerada Ambhanwong  
Managing Director&CEO