

May 7 ,2020

Dear Director and The Manager of SET

Re: Clarification on the Operating Result of Quarter 1/2020 and the Appointment of Auditor

Thai economy of quarter 1/2020 tends to shrink from the major course due to the outbreak of Corona Virus Disease 2019 or KOVID-19, which came from the strict control measures both in the country and international and it has broadly affected the economic activities. The exporting and importing activities of Thai products decreased aggressively, while the measures to control diseases of many countries, such as travel restrictions, city closures and social distancing, affect a decrease of tourist numbers. The government measures to control the spread of disease by temporarily halting the department stores, the closure of high-risk places and the drought problems in the agricultural sectors, affect the consumers' purchasing power which has caused private sector consumption to slow down significantly. Besides, the government expenditures remain shrink due to the delay of the Fiscal Expenditure 2020 Budget Act causing by various economic factors. As a result, the Company's sales revenue was Baht 211.37 million. It decreased Baht 70.16 million or equivalent to 24.92% compared to previous year. Cost of goods sold amount to Baht 110.09 million, is decreased Baht 38.87 million or equivalent to 26.09% compared to previous year. It caused by the decrease of sales amount. Distribution cost and administrative expenses amount to Baht 112.76 million, is decreased Baht 13.67 million or equivalent to 10.81%. This comes from spending controls in categories such as the employee category and marketing expenses.

Other revenues was Baht 0.95 million. It decreased Baht 2.01 million or equivalent to 67.84 % compared to the same period last year by gaining from interest receivable, rental income and profit from income tax of the sale of assets. The financial structure of the Company was in the strength level and cash flow could be managed effectively, hence, there was no interest paid from loans but there was interest paid under lease agreements amount to Baht 0.24 million. As of January 1st, 2020, the Company has adopted the Accounting Standards – TFRS 16 'Leases' to practice and there was no retrospective restatement of previous year as comparative. According to the above mentioned reasons, the Company's lost before income tax was Baht 10.77 million. It decreased Baht 19.87 million or equivalent to 218.41 % and tax revenues amount to Baht 2.06 million which has gained from the change of deferred income tax balance. The effect of net lost was Baht 8.71 million. It decreased Baht 15.89 million or equivalent to 221.34 % compared to the same period of previous year.

Appointment of Auditor

The Company's Board of Directors has approved the appointment of the existing auditor to review the financial statement of its first quarter 2020, which it has been scrutinized by the Board of Directors' Meeting No. 2/2020 on March 4th, 2020. Names of the auditor are as follows; Mrs. Suvimol Chriyakierne, CPA No. 2982 and/or Ms. Suphaphorn Mangjit CPA No. 8125 and/or Mr. Nopparoek Pitsanuwong CPA No. 7764 of the Office of DIA International Ltd. The Company shall propose to the shareholders' meeting to consider the appointment of this auditor at the 26th Annual General Meeting of Shareholders of 2020 when the situation becomes better and is appropriate to inform further.

Very truly yours,

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Mrs. Teerada Ambhanwong
Managing Director&CEO