



เคแอนด์เค
ซูเปอร์สโตร์

บริษัท เคแอนด์เค ซูเปอร์สโตร์ เซาท์เทิร์น จำกัด (มหาชน)
K&K Superstore Southern Public Company Limited

เลขประจำตัวผู้เสียภาษี : 0107562000394

สำนักงานใหญ่ 9/9 หมู่ 5 ต.คลองแห อ.หาดใหญ่ จ.สงขลา 90110

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No. KK ELCID 2563/001

October 6, 2020

Subject: Management Discussion and Analysis for the second quarter ended June 30, 2020

To: President
The Stock Exchange of Thailand

K&K Superstore Southern Public Company Limited (“the Company”) would like to submit the Management Discussion and Analysis for the second quarter ended June 30, 2020 as follows:

Revenue from Sales

For the first 6 months of 2020, the Company has revenue from sales equivalent to 481.98 million Baht. The revenue from sales is categorized to the business operation as follows:

1. Revenue from retails

The first 6 months of 2020, the Company has revenue from retail equivalent to 404.31 million Baht, increase 7.30 percent from same period of the previous year, mainly due to, during March and April 2020, The Covid-19 virus (COVID-19) has spread in Thailand and The government has enacted the Emergency Decree on Public Administration in Emergency Situation (Emergency Decree) and orders to close the places where there is a high risk of getting infection to stop the spread of COVID-19. As a result, people in the area are panicked and hoard the consumer products in stores to prepare for emergency. Causing the revenue from retail of the Company during March and April 2020 was increases.

Therefore the same store sales growth for the first 6 months of 2020 increase when compared with the first 6 months of 2019 equivalent to 4.02 percent.

2. Revenue from wholesales

The first 6 months of 2020, the Company has revenue from wholesale equivalent to 77.67 million Baht, increase 3.04 percent from same period of the previous year, mainly due to during March and April 2020, The Covid-19 virus (COVID-19) has spread in Thailand and The government has enacted the Emergency Decree on Public Administration in Emergency Situation (Emergency Decree) and orders to close the places where there is a high risk of getting infection to stop the spread of COVID-19. As a result, people in the area are panicked and hoard the consumer products in stores to prepare for emergency. Causing the retail stores in the Songkhla Province and nearby areas who the Company's



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wholesalers are order products from the Company in larger quantities. In order to be resold and support the demand of customers who come to buy products during that time.

Cost of sales and Gross profit

The first 6 months of 2020, the Company has cost of sales equivalent to 422.10 million Baht increased from same period of the previous year according to the increasing in revenue from sales, Then, the Company has 59.89 million Baht of gross profit, representing 12.42 percent which decreased from same period of the previous year, mainly due to the first 6 months of 2020, the Company has rental revenue from end-aisle product shelves and promotion programs decreased, which the increase or decrease of revenue from end-aisle product shelves and promotion programs are depend on suppliers for each period. The rental revenue from end-aisle product shelves and promotion programs is compensation that the company obtained from suppliers. Therefore, the Company will record by deducting from its product price or deducting from cost of sales.

Net profit

The first 6 months of 2020, the Company has net profit equivalent to 6.77 million Baht, representing a net profit margin of 1.40 percent which decreased from same period of the previous year, mainly due to decreased in revenue from end-aisle product shelves and promotion programs and increase in administrative expenses from the adjustment of employee benefits and expenses related to the preparation for listing in The Securities Exchange of Thailand and increase in financial costs in accordance with the Financial Reporting Standard No.16: Lease, which the Company has adopted for the first time.

Financial Position

As of 30 June 2020, the Company has total asset equivalent to 349.69 million Baht. Most assets consist of inventories, property plant and equipment, cash and cash equivalents, account receivables and other receivables. For the first 6 months of 2020, the return on total asset is equivalent to 4.02 percent and the return on non-current asset is equivalent to 19.07 percent.

As of 30 June 2020, the Company has total liabilities equivalent to 252.83 million Baht. Most liabilities consist of account payables, other payables, bank overdrafts and short-term loans from financial institutions.

As of 30 June 2020, the Company has shareholders' equity equivalent to 96.86 million Baht. The return on equity is equivalent to 14.48 percent.



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Please be informed accordingly

Yours Sincerely,

- Mr. Kawispong Sirithananonsakul-

(Mr. Kawispong Sirithananonsakul)

Managing Director

K&K Superstore Southern Public Company Limited