



No. AC 001/2020 (PM)

12 February 2020

Subject: Clarification on the difference of the profit (loss) from the same period of the previous year

To: Director

Listing & Disclosure Department, the Stock Exchange of Thailand

According to the business operating results of the Company and its subsidiaries for the twelve-months period ended 31 December 2019, the Company and its subsidiaries had the profit for this period of Baht 270.1 million, decreasing from the same period of the previous year by Baht 94.6 million or 25.9%. Such decrease was due to the Company and its subsidiaries' realization of impact from change in employment law which increases retirement benefit of employees to be 400 days, requiring expense reserve in the total amount of Baht 27.6 million which is one-time transaction. Moreover, last year there was profit from sale of investment in available-for-sale securities in the amount of Baht 13.7 million. Such result represents the difference of the Company and its subsidiaries' business operational results for this period from the same period of the previous year of more than 20%. Other changing items are as follows:

The net revenue from sale and service for this period was Baht 4,086.3 million, decreasing from the same period of the previous year by Baht 385.7 million due to the decrease in sales volume of distribution of consumer products segment by Baht 267.2 million and decrease in sales volume of food manufacturing segment by Baht 118.5 million following the Company and its subsidiaries' strategy to focus and select only the partners that are capable of generating mutual and higher sustainable benefit, and also to create the Company's own brand. Resulting in the increase of the gross profit margin to 29.8%.

The selling expense for the period was Baht 453.4 million, increasing from the same period of the previous year by Baht 56.5 million, being the increase in local advertisement expense by Baht 52.9 million increase in foreign advertisement expense by Baht 20.6 million and increase in local sales promotion expenses by Baht 8.0 million and decrease in the transportation expense by Baht 23.1 million mainly due to discontinuity of some products in distribution segment following the Company and its subsidiaries' strategy mentioned above and the increase in expense for agents and distribution center project (Concessionaire) by Baht 6.0 million. However, sales personnel expense decreased by Baht 7.4 million and vehicles and traveling expenses decreased by Baht 1.9 million while other selling expenses increased by Baht 0.8 million. The ratio of selling expense to sales and services revenue was at 11.1%, increasing from the same period of the previous year by 2.2%.



The administrative expense for this period was Baht 415.2 million, increasing from the same period of the previous year by Baht 1.8 million, due to the increase in operation system expense by Baht 5.1 million, the increase in office building rental charge and other related expenses by Baht 3.3 million, the increase in allowance for doubtful accounts by Baht 2.7 million and the increase in vehicles and traveling expenses by Baht 2.4 million; while personnel related expense decreased by Baht 5.6 million, donation amount decreased by Baht 4.9 million and other administrative expense decreased by Baht 1.2 million.

Please be informed accordingly.

Yours faithfully,

-Signed-

Mrs. Pensri Dettingeng

Authorized Person

Premier Marketing Public Company Limited