

## Earning Release FY 2019

The Vice President, Accounting and Finance Division, disclosed that Thailand's economy in 2019 recorded growth of approximately 2.6 percent, the lowest in the last 5 years. Exports posted negative growth of about 1.32 percent and there was sharp decline in the whole system of tourism. Investors remained concerned over the protracted trade war between the United States and China, of which no direction towards a resolution is in sight, as well as the global economic overview that growth remained stagnated. In addition, domestic consumption is likely to decrease from the previous year. The Bank of Thailand's adjustment of measures for granting housing loans also resulted in declining growth of the real estate sector. Spending rates for low-income people have decreased despite the government's ("Try, Shop, Use") stimulus measures which actually had no positive impact on the growth of the economy as a whole. These factors, combined with the high level of household debt resulted in a downward tendency of household purchasing power, with businesses that rely heavily on domestic consumers facing serious challenges from such significant reduction in purchasing power.

In the year 2019, the Company and its subsidiaries had sales revenue amounting to THB 11,309.21 million, a decrease of THB 1,040.41 million representing 8.42 percent from the year 2018, net profit of THB 719.04 million, a decrease of THB 214.98 million or 23.02 percent. Cost of sales was THB 7,568.02 million, a decrease of THB 270.85 million from the year 2018, representing 3.46 percent. Sales and administrative expenses amounted to THB 3,959.72 million, a decrease of THB 570.02 million from the previous year, representing 12.59 percent. The Company's net profit declined due to stagnant economic growth and decreased purchasing power of both domestic consumers and foreign tourists, along with changing tourists' spending behavior which shifted more towards food, drink and travel, resulting in diminishing sales. Moreover, the Company had higher costs due to product price adjustments to ensure good product quality and standards while also having to organize sales promotion activities to boost sales.

The outbreak of COVID-19 from the end of December 2019 to the beginning of 2020, for which a cure cannot yet be found and the epidemic continues on almost every continent around the world. The impact is especially pronounced by the measures from the Chinese government not allowing people to travel outside the country, including the export of various products, resulting in diminishing trade in each country involved, including Thailand, especially in the tourism sector with the number of tourists having decreased so much in Thailand that some businesses have had to close down. For the Company this has had a significant impact on sales revenue.

Therefore, the Company has accelerate development to purpose of business sustainability and change the sale method to direct customers. The Company has applied His & Her Plus Point Membership as the key in rendering services and communication with customers on the one-to-one marketing basis. In this connection, mechanisms for directly linking products, services and transmitting value to the customers have been developed

through LINE Business Connect enabling customers to access news, products, services rendered by the Saha Group as a whole solely at their fingertips everywhere and every time on the customers' own LINE accounts to provide customers with convenience and quick access to privileges, participation in activities including discounts of products.

The Company focuses on strengthening the quality, precision and rapidity of responding and communicating with customers whilst reducing costs of work and marketing as a whole with the aim of effective timely response to customer demand and achieving sustainable competitive advantage.