



(Translation)

H.O. 1001/305/2019

November 20, 2019

Subject: Clarification on the performance of financial statements for the year ended
September 30, 2019

Attention: President
The Stock Exchange of Thailand

Financial Performance for the year ended 30 September 2019

Sermsuk Public Company Limited's performance for the year ended September 30, 2019 as reported in the consolidated financial statement, the Company has net loss of 452 million, an increase of Baht 174 million or 62.6% compared to net loss of Baht 278 million at the same period of prior year.

However, by excluding impact of past service cost for employee benefit of Baht 137 million (net of corporate income tax) and income tax expense on the utilization and write off of deferred tax assets of Baht 336 million, the Company had net normalized profit of Baht 21 million as reported in the consolidated financial statement, an increase in profit of Baht 348 million or 106.4% compared to net loss of Baht 327 million (excluding gain on disposal of buildings of Baht 131 (net of corporate income tax) and income tax expense on write off of deferred tax assets of Baht 82 million) at the same period of prior year.

The significant factors are as follows:

1. Revenue from sales and services was Baht 11,763 million, an increase of 8.7% because the Company has continued to strengthen its growth of est and Crystal.
2. Cost of sales and services was Baht 8,404 million, an increase of 7.4% which in line with an increase in revenue from sales and service and change in product mix.
3. Distribution cost and administrative expenses was Baht 3,714 million, which was not significant difference compared to the same period of prior year.
4. Other income of Baht 148 million was mainly from sales of scrap of Baht 57 million, gain from free drink charged of Baht 51 million. The remaining was claimable income of damage product and packaging and others.
5. Past service cost for employee benefit was Baht 172 million recognized in third quarter of 2019 in accordance with the changes in the Labor Protection Act on 5 April 2019 that was non-operating item.
6. In the fiscal year 2019, the Company utilized and wrote off of deferred tax assets of Baht 336 million.



Basis earnings (losses) per share

The company has basic net losses per share of Baht 1.70 per share, an increase of Baht 0.66 per share compared to the basic net losses per share of Baht 1.04 at the same period of prior year.

However, by excluding impact of past service cost for employee benefit of Baht 0.52 per share (net of corporate income tax) and income tax expense on the utilization and write off of deferred tax assets of Baht 1.26 per share. The Company had basic earnings per share of Baht 0.08 per share, an increase in net profit per share of Baht 1.31 per share compared to the basic net losses per share of Baht 1.23 per share (excluding gain on disposal of buildings of Baht 0.49 per share (net of corporate income tax) and income tax on write off of deferred tax assets of Baht 0.30 per share) at the same period of prior year.

Financial Position as at September 30, 2019

Assets

Total assets as at September 30, 2019 was Baht 12,400 million, an increase of Baht 741 million or 6.4 % compared to total assets at the end of prior year.

Current assets were Baht 2,369 million, an increase of Baht 161 million or 7.3% mainly from an increase in cash and cash equivalents offset by a decrease in other receivable from related parties.

Non-current assets were Baht 10,031 million, an increase of Baht 580 million or 6.1% mainly from an increase in land valuation offset by an increase in depreciation.

Liabilities

Total liabilities as at September 30, 2019 was Baht 3,666 million, an increase of Baht 548 million or 17.6% compared to total liabilities at the end of prior year.

Current liabilities were Baht 2,017 million, a decrease of Baht 117 million or 5.5% mainly from a decrease in trade account payable due to the payment of material purchase.

Non-current liabilities were Baht 1,649 million, an increase of Baht 665 million or 67.6% mainly from an increase in deferred tax liabilities and an increase in non-current provisions for employee benefits accordance with the changes in the Labor Protection Act.

Equity

Total equity as at September 30, 2019 was Baht 8,734 million, an increase of Baht 193 million or 2.3% compare to total equity at the end of prior year mainly from an increase in revaluation surplus on land offset by net loss for the year.



Cash flows

Cash and cash equivalents as at 30 September 2019 was Baht 873 million. The net increase from the beginning of the year was Baht 367 million. Details of activities were as follows.

	<u>Unit: Million Baht</u>
Net cash from operating activities	483
Net cash used in investing activities	(115)
Net cash used in financing activities	(1)
Net increase in cash and cash equivalents	<u>367</u>
Cash and cash equivalents at beginning of year	<u>506</u>
Cash and cash equivalents at end of year	<u><u>873</u></u>

Net cash inflow from operating activities of Baht 483 million, an increase of Baht 459 million compared to the same period of prior year. This was due to an increase in non-cash items of Baht 463 million, an increase in operating assets and liabilities of Baht 171 million offset by a net increase of Baht 175 million in net loss for the year.

Net cash used in investing activities of Baht 115 million, an increase of Baht 153 million compared to the same period of prior year. This was mainly due to no cash received from sale of condo-miniums and equipment in 2019.

Please be informed accordingly.

Yours sincerely,

(Lester Tan Teck Chuan)
President