



(Translation)

H.O. 1001/015/2020

February 12, 2020

Subject: Clarification on the Operating Results and Financial Status for the three-month period ended December 31, 2019

Attention: President
The Stock Exchange of Thailand

Sermsuk Public Company Limited and its subsidiaries clarify Consolidated Operating Result and Financial Status for the three-month period ended December 31, 2019 as the following,

Financial Performance for the three-month period of Quarter 1/2019-2020

Revenue from sales and services

Revenue from sales and services of the Company for Q1/2019-2020 was Baht 2,797 million, increased by Baht 78 million or 2.9% from the same period of last year. Mainly they were driven by growth of Crystal and est from channel expansion including the new product launch such as est honey lemon.

Cost of sales and services

Cost of sales and services of the Company for Q1/2019-2020 was Baht 1,954 million, decreased by Baht 100 million or 4.9% from the same period of last year. Mainly from lower raw material and packaging cost due to the Company's cost control efficiently and increasing of sale mix in higher profitable channel.

Distribution costs

Distribution cost of the Company for Q1/2019-2020 was Baht 620 million, decreased by Baht 16 million or 2.5% from the same period of last year mainly from lower depreciation and fuel cost due to improve productivity.

Administrative expenses

Administrative expenses of the Company for Q1/2019-2020 was Baht 219 million, decreased by Baht 16 million or 6.8% from the same period of last year due to well-control cost spending efficiently.



Net profit

Net profit of the Company for Q1/2019-2020 was Baht 73 million, which was turnaround from net loss Baht 100 million in the same period of last year. The significant improvement by Baht 173 million or 172.7% were driven by achievements of the sales growth in higher profitable channel, cost reduction from lower cost of sales and efficiency improvement in distribution cost and administrative expenses.

The company earning per share of Baht 0.27 per share, an increase of Baht 0.65 per share compared to net losses per share of Baht 0.38 per share in the same period of last year with aforementioned reasons.

Financial Position as at December 31, 2019

Assets

Total assets as of December 31, 2019 was Baht 12,297 million, decreased by Baht 103 million or 0.8% compared to total assets at the end of last year as describe below;

Current assets were Baht 2,331 million, decreased by Baht 38 million or 1.6% mainly from a decrease in cash and cash equivalents to support the payment of current liabilities as working capital.

Non-current assets were Baht 9,966 million, decreased by Baht 65 million or 0.6% mainly from a decrease in net value of building and equipment from depreciation expense partly offset by an increasing of investment in an associated due to profit sharing for the quarter.

Liabilities

Total liabilities as of December 31, 2019 was Baht 3,487 million, a decreasing of Baht 179 million or 4.9% compared to total liabilities at the end of last year as describe below;

Current liabilities were Baht 1,829 million, decreased by Baht 187 million or 9.3% from the payment of other payable in this quarter.

Non-current liabilities were Baht 1,658 million, increased by Baht 8 million or 0.5%, which was not significant difference.

Equity

Total equity as of December 31, 2019 was Baht 8,810 million, increased by Baht 76 million or 0.9% from September 30, 2019 mainly from additional net profit of the period.



Cash flows

Cash and cash equivalents as at 31 December 2019 was Baht 807 million. The net cash decreasing from the beginning of the year was Baht 66 million due to cash used in operating activities of Baht 17 million as normal working capital and investing activities of Baht 49 million from purchase of machinery and equipment to increased operation's efficiency.

Please be informed accordingly.

Yours sincerely,

(Lester Tan Teck Chuan)
President