



(Translation)

H.O. 1001/312/2020

November 18, 2020

Subject: Clarification on the Operating Results and Financial Status for the year ended
September 30, 2020

Attention: President
The Stock Exchange of Thailand

Sermsuk Public Company Limited and its subsidiaries clarify Consolidated Operating Result and Financial Status for the year ended September 30, 2020 as the following,

Financial Performance for Fiscal Year 2020

Revenue from sales and services

Revenue from sales and services of the Company was Baht 10,865 million, decreased by Baht 707 million or 6.1% from the same period of last year mainly from the COVID-19 virus pandemic effect. The government's COVID-19 infection control measures resulted in a decrease in sales volume in restaurant, hotel and department store. Nevertheless, the Company have expanded sales in traditional channel, wholesales, large retail shops and convenience stores as well as building new channel by selling directly to consumer households during the lock down and holding promotional activities to support sales. Thus, Crystal continues to maintain its leadership in drinking water market.

Cost of sales and services

Cost of sales and services of the Company was Baht 7,600 million, decreased by Baht 804 million or 9.6% from the same period of last year. The lower cost was in line with the lower sales volume and savings in raw material and packaging.

Distribution costs

Distribution cost of the Company was Baht 2,612 million, decreased by Baht 38 million or 1.4% from the same period of last year mainly from the effective control of marketing and promotion expenses by focusing more on online marketing. Transportation expenses reduced in line with lower sales volume and control over route and fuel cost efficiently.



Administrative expenses

Administrative expenses of the Company was Baht 811 million, decreased by Baht 62 million or 7.1% due to continuous control on cost spending and implementation of a more stringent control to improve efficiencies in all spending during COVID-19 pandemic.

Net profit

Net profit of the Company was Baht 169 million, which reflect the Company's capabilities to cope with the Covid-19 challenge. The net profit improved by Baht 622 million or 137.3% from net loss Baht 453 million in the same period of last year.

The net profit improved by Baht 148 million or 704.8% from normalized net profit of last year at Baht 21 million. By excluding non-recurring items such as past service cost for employee benefit of Baht 137 million (net of corporate income tax) and income tax expense on utilization and write off of deferred tax assets of Baht 336 million. Thanks to the Company's cost control and effective management over distribution cost and administrative expense.

The company earnings per share of Baht 0.64 per share, an increase of Baht 2.34 per share compared to net loss per share of Baht 1.70 per share in the same period of last year with aforementioned reasons.

Financial Position as at September 30, 2020

Assets

Total assets as of September 30, 2020 was Baht 12,500 million, increased by Baht 100 million or 0.8% compared to total assets at the end of last year as describe below;

Current assets were Baht 2,721 million, increased by Baht 352 million or 14.9% mainly from an increase in cash and cash equivalents due to better operating performance.

Non-current assets were Baht 9,779 million, decreased by Baht 252 million or 2.5% mainly from a decrease in net value of building and equipment from depreciation expense offset with purchase of machinery and equipment and partly from an increasing of investment in an associated due to profit sharing.

Liabilities

Total liabilities as of September 30, 2020 was Baht 3,602 million, decreased by Baht 64 million or 1.7% compared to total liabilities at the end of last year as describe below;

Current liabilities were Baht 1,995 million, decreased by Baht 22 million or 1.1% due to better inventory management leading to lower purchase of raw material and packaging.

Non-current liabilities were Baht 1,607 million, decreased by Baht 42 million or 2.5%, from the payment of employee's retirement benefits.



Equity

Total equity as of September 30, 2020 was Baht 8,898 million, increased by Baht 164 million or 1.9% from September 30, 2019 mainly from additional net profit of the year and defined benefit plan actuarial gain while reduced by dividends payment.

Cash flows

Cash and cash equivalents as at 30 September 2020 was Baht 1,403 million. The net cash increased from the beginning of the year was Baht 531 million. Cash increased mainly from operating activities Baht 734 million due to profitable operating results, dividend and interest received of Baht 74 million. Partly reduced from purchase of machinery and equipment to increase operation's efficiency Baht 211 million and dividend payment of Baht 66 million. Overall, the Company has a strong financial position as we do not have any interest bearing debt and high liquidity from operating activity.

Please be informed accordingly.

Yours sincerely,

(Kosit Suksingha)

President