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SHERWOOD CHEMICALS Public Company Limited
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โดยสำนักงานคณะกรรมการอาหารและยา

May 15, 2017

Subject: Clarification of Operating Result for Quarter 1/2017

To: President

The Stock Exchange of Thailand

We, Sherwood Chemicals Public Company Limited (SWC), would like to submit herewith the reviewed financial statement for the Quarter 1/2017 ended March 31, 2017 and also clarify the change in operating result for the 3 months ended Quarter 1/2017 as follows :-

The Company had net profits of Baht 45.44 million for the 3 months ended Quarter 1/2017, decreased by Baht 9.39 million or 17.13% as compared to the same period last year. The main reasons of such decrease were as follows :-

- 1) Sales Revenues for the 3 months ended Quarter 1/2017 was Baht 328.34 million, increased by 4.05% as compared to the same period last year due to promotional campaign heavily made in order to boost sales amid consumer's spending contraction and fierce competition.
- 2) The increase of cost of goods sold from 60.12% to 64.71% of sales amount resulting from the effect of raw material price increased compared to the first quarter of last year, and also the increase in the promotional on-pack premiums and other premiums campaign. Moreover, the additional sales of low profit margin product group resulted in lower gross profit margin.
- 3) The Baht 3.96 million of selling expenses decrease or 11.30% resulting from the decrease of advertising expense in order to spend more budgets on promotional expense.
- 4) The Baht 3.54 million of administrative expenses increase or 16.26% resulting from the increase in number of sale staffs and travelling expense.

Please be informed accordingly.

Sincerely yours,

Thakerngbol Laobisuddhi
Authorized Signature