

May 14, 2019

Subject: Clarification of Operating Result for Quarter 1/2019

To: President

The Stock Exchange of Thailand

We, Sherwood Corporation (Thailand) Public Company Limited (SWC), would like to submit herewith the reviewed financial statement for the Quarter 1/2019 ended March 31, 2019 and also clarify the change in operating result for the 3 months ended Quarter 1/2019 as follows :-

The Company had net profits of Baht 38.17 million for the 3 months ended Quarter 1/2019, decreased by Baht 23.22 million or 37.82% as compared to the same period last year. The main reasons of such decrease were as follow :-

- 1) Sales Revenues for the 3 months ended Quarter 1/2019 was Baht 337.60 million, decreased by 15.72% as compared to the same period last year due to the aerosol insecticide market contracted by 4.6%. However, the Company still insists that the sales revenue growth target for 2019 will be 20% from the same period of last year as a result of sales growth in other product groups and the increase in revenue from subsidiaries.
- 2) The increase of cost of goods sold from 59.67% to 65.62% of sales amount resulting from the effect of insecticide raw material price increase, and also the increase in the promotional on-pack premiums and other premiums campaign.
- 3) The Baht 11.32 million of selling expenses decrease or 26.49% resulting from the lower advertising expense that consistent with the sales decline.
- 4) The Baht 2.12 million of administrative expenses decrease or 5.49% resulting from the control of expenses during uncertain economic condition..

Please be informed accordingly.

Sincerely yours,

Thakerngbol Laobisuddhi
Authorized Signature