

August 14, 2020

Subject: Management Discussion and Analysis for the 2<sup>nd</sup> quarter ended June 30, 2020

To: President  
The Stock Exchange of Thailand

Sherwood Corporation (Thailand) Public Company Limited (“The Company”) would like to submit herewith the reviewed consolidated financial statements for the 6 months ended June 30, 2020, with the financial analysis compared to the same period last year. The performance can be summarized as follows;

The Company and its subsidiary had net profit of THB 20.79 million for the 6 months ended June 30, 2020 in which there was a profit attributable to equity holders of the Company of THB 20.39 million, decreased by THB 5.29 million or 20.60% as compared to the same period in the previous year which was shown the net profit of THB 25.68 million.

**Revenue:**

Sales Revenue for the 6 months ended June 30, 2020 was THB 534.18 million, decreased by THB 97.69 million or 15.46% as compared to the same period in the previous year. This resulted mainly from the slump on demand of household chemicals from economic slowdown and export problems according to the coronavirus disease 2019 (COVID-19) crisis. However, the Company has tried to increase its marketing promotional activities in the modern trade stores and traditional trade stores and continuously developing other products to provide better options for consumers, as well as increasing the distribution to covering more stores to help increase sales.

**Cost of goods sold:**

Cost of goods sold for the 6 months ended June 30, 2020, decreased from 64.46% to 64.43% of sales revenue resulting from the price of insecticide active ingredients have decreased.

**Selling and distribution expenses:**

Selling and distribution expenses for the 6 months ended June 30, 2020 was THB 81.30 million, decreased by THB 33.76 million or 29.34% as compared to the same period in the previous year resulting from the change in advertising plan that consistent with the sales decline.

**Administrative expenses:**

Administrative expenses for the 6 months ended June 30, 2020 was THB 76.06 million, decreased by THB 1.86 million or 2.38% as compared to the same period in the previous year resulting from the Company also keeps manpower although the coronavirus disease 2019 (COVID-19) crisis. However, The Company has control of administrative expenses during uncertain economic conditions.

Please be informed accordingly.

Sincerely yours,

---

Thakerngbol Laobisuddhi  
Authorized Signature