

Ref. POL. 119/2018

November 09, 2018

Re: Clarification of the Performance of S & P Syndicate Public Company Limited

Dear The President
The Stock Exchange of Thailand

S & P Syndicate Public Company Limited (the "Company") and its subsidiaries hereby submit the Annual Financial Statements, ending September 30, 2018 and 2017, together with the clarification of the performance of the Company and its subsidiaries as follows:

Thailand Economic Q3/18 review and outlook

Thailand economic in the third quarter of 2018 continued to grow from strong expansion of Thailand's export sector while the tourism growth decelerate from drop in arrival from Chinese visitors which was effected from the deadly Phuket boat accident. In addition the weak of Chinese Yuan against US dollar, resulting from US-China trade war, was another reason of decreasing of Chinese visitors.

Thailand economic was favorably supported by domestic demand including private consumption and investment as well as increasing of employment and agricultural households are the key drivers of rising moderate growth.

Summary of S&P Syndicate PCL operating performance of 3rd quarter Ending 30 September 2018

Revenue from Sales and Services

In 3Q 2018, the Company and its subsidiaries generated revenues of THB 2,083 million from the sales and services, which is increased from the same period of the previous year in the amount of THB 8 million or equivalent to an increase of 0.4 percent from 520 restaurants and bakery shops in both domestic and international businesses. The growth of the same store sales of the domestic from 476 restaurants and bakery shop under brand "S&P" increased by 3.2 percent and 3.3 percent respectively.

At the end of 3Q 2018, the same store sales of restaurants in international business declined by 4.1 percent due to a higher competition in a restaurant business and a continuous economic slowdown in Singapore, China and UK counties.

In 3Q 2018, the Company generated revenues from the food and bakery wholesales in the amount of THB 236 Million which increased by 5 Million or equivalent to 2.2 percent from 3Q 2017 because the sales from the frozen foods, sausages, in the supermarkets and retail malls and also the OEM products increased.

Revenues Classified by Distribution Channels	3 rd Quarter 2018	3 rd Quarter 2017	Variation THB	%
Domestic Restaurant and Bakery Business	1,690	1,615	75	4.7
Food and Bakery Wholesales Business	236	231	5	2.2
Overseas Restaurant Business	153	219	(66)	(30.14)
Others	4	10	(6)	(60.0)
Total	2,083	2,075	8	0.4

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

In 3Q 2018, the Company has earnings before interest payable, tax, and depreciation (EBITDA) pursuant to the Financial Statements in the amount of THB 268 million, which decreased by 1.4 percent as a result of sales decrease in Singapore, China and the UK. Although, the Company incurred the increased selling and administration expenses a main reason was the increase of the rents of the existing branches and new branches and also increasing in back office expenses. EBITDA profits from the performance in 3Q 2018 compare to in 3Q 2017, the Company EBITDA decreased from 12.9 percent to 12.8 percent.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	3 rd Quarter 2018	3 rd Quarter 2017	Variation THB	%
EBITDA pursuant to the Financial Statements	268	272	(4)	(1.4)
EBITDA Profit Margin per Total Revenues (percentage)	12.8	12.9	-	(0.1)

Net Profit

At the end of 3Q 2018, the Company and its subsidiaries earn the net profit in the amount of THB 148 million, which is increased from the same period of the previous year by THB 4 million, equivalent to 3.0 percent, which resulted from better tax planning. In consideration of the net profit from operations in 3Q 2018, the Company's net profit margin to total revenue increased from 6.8 percent last year to 7.1 percent from this year.

Net Profit	3 rd Quarter 2018	3 rd Quarter 2017	Variation THB	%
Net Profit pursuant to the Financial Statements	148	144	4.0	3.0
Net Profit Margin to Total Revenues (percentage)	7.1	6.8	-	0.3

Summary of S&P Syndicate PCL operating Performance for 9 months period Ending 30 September 2018

Revenue from Sales and Services

In 9M 2018, the Company and its subsidiaries generated revenues of THB 5,669 million from the sales and services, which is decreased from the same period of the previous year in the amount of THB 37 million or equivalent to an decrease of 0.7 percent. The growth of the same store sales of the domestic restaurants and bakery shops under brand "S&P" increased by 1.2 percent while the same store sales in International business declined by 9.9 percent.

In 9M 2018, the Company generated revenues from the food and bakery wholesales in the amount of THB 544 Million which decreased by 8 Million or equivalent to 1.5 percent from 9M 2017 because the sales from the frozen foods, sausages, in the supermarkets and retail malls and OEM products declined.

Revenues Classified by Distribution Channels	9 Months in 2018	9 Months in 2017	Variation THB	%
Domestic Restaurant and Bakery Business	4,604	4,462	142	3.2
Food and Bakery Wholesales Business	544	552	(8)	(1.5)
Overseas Restaurant Business	495	662	(167)	(25.3)
Others	26	30	(4)	(13.3)
Total	5,669	5,706	(37)	(0.7)

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)

In 9M 2018, the Company has earnings before interest payable, tax, and depreciation (EBITDA) pursuant to the Financial Statements in the amount of THB 608 million, which decreased by 9.0 percent as a result of sales decrease in international businesses. Although, the Company incurred the increased selling and administration expenses. EBITDA profits from the performance in 9M 2018 compare to in 9M 2017 decreased from 11.6 percent to 10.6 percent.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	9 Months in 2018	9 Months in 2017	Variation THB	%
EBITDA pursuant to the Financial Statements	608	668	(60)	(9.0)
EBITDA Profit Margin per Total Revenues (percentage)	10.6	11.6	-	(1.0)

Net Profit

At the end of 9M 2018, the Company and its subsidiaries earn the net profit in the amount of THB 287 million, which is decreased from the same period of the previous year by THB 19 million, equivalent to 6.1 percent, which resulted from sales decreased in Thai restaurants overseas and the Company incurred the increased selling and administration expenses as aforesaid mentioned. In consideration of the net profit from operations in 9M 2018, the Company's net profit margin to total revenue decreased from 5.3 percent last year to 5.0 percent this year.

Net Profit	9 Months in 2018	9 Months in 2017	Variation THB	%
Net Profit pursuant to the Financial Statements	287	305	(18.6)	(6.1)
Net Profit Margin to Total Revenues (percentage)	5.0	5.3	-	(0.3)

Statements of Financial Position and Statements of Cash Flows

At the end of 9M 2018, the Company and its subsidiaries have the total assets in the amount of THB 3,952 million, which decreased from the same period of the previous year by THB 18 million from decreasing of current assets THB 89 million, while the non-current assets were increased THB 71 million, which were mainly caused by:

1. Cash and cash equivalents was increased by 39 million.
2. Temporary investment was decreased by 131 million from trading securities.
3. Trade and other current receivables were decreased by 44 million due to improved debt collection process.
4. Property, plant, and equipment was increased by 98 million mainly from land property acquisition.

Total liabilities in the end of the third Quarter of 2018 was THB 1,452 million, increased by 106 MB compared to the end of the prior year. As a result of current liabilities decreased THB 23 million while and non-current liabilities increased amount of THB 128 mainly came from

1. Decrease of Trade and Other Current Payable THB 42 million
2. Decrease of Current Tax Payable THB 12 million
3. Increase of Long-term borrowings from financial institutions THB 148 million.

The shareholders' equity of the company has decreased in the amount of THB 124 million from THB 2,625 million to THB 2,501 million, which mainly resulted from the dividend payment 9M 2018 in the amount of THB 417 million

The Company and its subsidiaries have the cash flow from operating activities in the amount of THB 609 million, which increased by THB 60 million from the previous year resulting from (1) the increase of the account receivable and other receivables in the amount of THB 34 million (2) the increase of inventory in the amount THB 67 million (3) the decrease of account payable and other payables in the amount of THB 28 million

The Company and its subsidiaries have the net cash used in investing activities in the amount of THB 306 million as a result of and cash paid for purchasing fixed assets, intangible assets, and leasehold rights in the amount of THB 431 million.

The Company and its subsidiaries have the net cash used in financing activities in the amount of THB 246 million, which mainly from cash received from long-term borrowings from a financial institution amount of THB 195 million and dividend payment amount of THB 417 million.

Financial Ratio Analysis

Financial Rate	9 months In 2018	9 months In 2017
Gross Profit Rate (Percentage)	44.1	45.7
Net Profit Rate (Percentage)	5.1	5.4
Return on Equity (Percentage)*	19.7	18.7
Return on Assets (Percentage)*	12.7	12.3
Current Ratio (Time)	1.5	1.6
Liabilities vs. Shareholders' Equity (Time)	0.6	0.5

*Full year comparison

In 9M 2018 the company has the gross profits decreased from 45.7 percent in 9M 2017 to 44.1 percent mainly due to the increasing of cost of raw material that used for production. The net profit rate was decreased from 5.4 percent in 9M 2017 to 5.1 percent in 9M 2018 due to the performance of operation from the oversea restaurants and the increase of selling general and administrative expenses (SG&A).

The return on equity for full year comparison increased from 18.7 percent in 9M 2017 to 19.7 percent in 9M 2018 as well as the return on assets increased from 12.3 percent in 9M 2017 to 12.7 percent in 9M 2018.

The current ratio decreased from 1.6 times in 9M 2017 to 1.5 times in 9M 2018. This mainly resulted from the decrease of the temporary investment. The liabilities vs. the shareholders' equity increased from 0.5 times in 9M 2017 to 0.6 times in 9M 2018. This mainly resulted from long term loan from financial institution.

Please be informed and the Financial Statements is attached herewith for your acknowledgement and disseminating information to the investors accordingly.

Your Sincerely,

(Kamtorn Sila-On)

President Production and Finance
S & P Syndicate Public Company Limited