

No: ICHI-008/2017

May 11, 2017

Subject: Clarification of Operating Results for Q1'2017, ended March 31, 2017

Attention: President  
The Stock Exchange of Thailand

Ichitan Group Public Company Limited clarifies operating results for Q1'2017, ended March 31, 2017 as the following;

### **Sales**

In Q1/2017, the company has sales revenue 1,488.1 million baht, which is 12.0% decreased from Q1/2016 that had sales revenue 1,691.9 million baht. The sales revenue is decreased because the ready-to-drink tea market is not growing and intense competition.

### **Cost of sales**

Cost of sales of the company for Q1/2017 is 1,135.1 million baht or equivalent to 76.3% of sales. Cost of sales for Q1/2016 was 1,106.7 million baht or 65.4% of sales. The percentage is increased 10.9% due to intense competition.

### **Distribution Costs(Selling Expenses)**

The company has distribution costs in Q1/2017 and Q1/2016 equals to 201.8 million baht and 242.6 million baht respectively. When compare distribution costs over the sales in Q1/2017 and Q1/2016, which is 13.6% and 14.3%, the percentage of selling expenses is lower due to an efficient plan.

### **Administrative Expenses**

For Q1/2017 and Q1/2016, company has 44.0 million baht and 47.8 million baht equivalent to 3.0% and 2.8% of sales revenue respectively, the percentage is slightly higher.

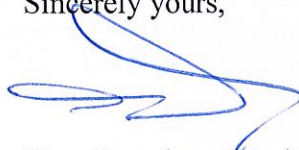
### **Share of loss of investment in joint venture**

The company has share of loss of investment in joint venture in Q1/2017 and Q1/2016 equals to 43.8 million baht and 13.6 million baht respectively. Loss of investment is increased 30.2 million baht due to marketing expenses in Indonesia.

## **Net Profit**

For Q1/2017, the Company's net profit is 62.5 million baht, or 4.2% net profit margin. Net profit is decreased comparing with the same period in last year that is 249.8 million baht or 14.8% of sales. Net profit is decreased 75.0%.

Sincerely yours,

A handwritten signature in blue ink, consisting of several fluid, overlapping loops and strokes, positioned above the printed name.

(Mrs. Eng Passakornatee)

Senior Executive Vice President