

No: SN. 036/2017

May 11, 2017

Subject: Clarification of Operating Results and Financial Status the six-month period ended March 31, 2017

Attention: President
The Stock Exchange of Thailand

Oishi Group Public Company Limited and subsidiaries clarify consolidated operating results and consolidated financial statements for the six-month period ended March 31, 2017 as the followings,

Sales

For Q2'2017, total sales revenue of the company was Baht 3,463 million, increased by 5.5% or Baht 180 million from Q2'2016, which had total sales revenue of Baht 3,283 million due to increase in sales revenue from beverage and food business of 5.8% and 5.1%, respectively. The proportion of beverage business sales revenue to food business sales revenue was 54:46.

Sales revenue of beverage business was Baht 1,869 million, increased by 5.8% or Baht 102 million from Q2'2016, which had sales revenue from beverage business of Baht 1,767 million.

Sales revenue of food business was Baht 1,594 million, increased by 5.1% or Baht 78 million from Q2'2016, which had sales revenue from food business of Baht 1,516 million.

For 6M'2017, total sales revenue of the company was Baht 6,635 million, increased by 1.8% from 6M'2016, which had total sales revenue of Baht 6,520 million. The sales revenue can be classified as Baht 3,455 million from beverage business or equivalent to 52% of total sales revenue, and Baht 3,180 million from food business or equivalent to 48% of total sales revenue. The increase of total sales revenue is mainly from sales revenue of beverage business that increased by 2.9% or Baht 97 million due to the successful of new product development and successful of promotional campaigns.

Cost of sales

Total cost of sales of the company for Q2'2017 was Baht 2,108 million or equivalent to 60.9% of total sales, lower than Q2'2016, which had total cost of sales 62.7% of total sales due to efficient cost management and higher cost efficiency from better utilization of production capacity.

For 6M'2017, total cost of sales was Baht 4,112 million or equivalent to 62% of total sales, lower than 6M'2016, which had total cost of sales 63.5% of total sales due to higher cost efficiency from better utilization of production capacity.

Selling Expenses

Selling expenses of the company for Q2'2017 was Baht 411 million, increased by 1.7% or Baht 7 million from Q2'2016, which had selling expenses of Baht 404 million. Selling expenses in terms of percentage for Q2'2017 was 11.9% of total sales which decreased from 12.3% in Q2'2016 due to marketing and promotional campaigns for restaurants.

For 6M'2017, selling expenses of the company was Baht 820 million increased by 2% or Baht 16 million from 6M'2016, which had selling expenses of Baht 804 million. Selling expenses in term of percentage for 6M'2017 was 12.4% of total sales which is higher than the period of 6M'2016 which equivalent to 12.3% of total sales due to marketing and promotional campaign.

Administrative Expenses

Administrative expense of the company for Q2'2017 was Baht 538 million, increased by 4.4% or Baht 23 million from Q2'2016, which had administrative expenses of Baht 515 million.

For 6M'2017, administrative expense of the company was Baht 1,058 million, increased by 3.3% or Baht 34 million from 6M'2016 which was Baht 1,024 million. Administrative expenses in term of percentage for 6M'2017 was 15.9% of total sales which is higher than 6M'2016 which was 15.7% of total sales due to increase of personnel expenses.

Net Profit

Net profit of the company for Q2'2017 was Baht 417 million, increased by 44.3% or Baht 128 million from Q2'2016, which was Baht 289 million. In terms of percentage, net profit for Q2'2017 was 12% of total sales, increased from 8.8% of total sales in Q2'2016.

For 6M'2017, net profit of the company was Baht 686 million, increased by 29% or Baht 154 million from Q2'2016, which had net profit of Baht 532 million. In terms of percentage, net profit in 6M'2017 was 10.3% of total sales, increased from 8.2% of total sales in 6M'2016.

Financial Status

Assets

Total assets as at March 31, 2017 was Baht 9,393 million, increased by Baht 115 million or 1.2% from the last period. Current assets increased by Baht 230 million, mainly due to increase in trade accounts receivable while non-current assets decreased by Baht 115 million, mainly due to decrease in property, plant and equipment.

Liabilities

Total liabilities as at March 31, 2017 was Baht 4,351 million, comprised of interest bearing debts of Baht 2,325 million, which are bond Baht 2,000 million, current portion of long-term loan from financial institutions Baht 300 million, finance lease liabilities Baht 25 million, and non-interest bearing debts of Baht 2,026 million. Total liabilities decreased by Baht 318 million or 6.8% from the last period mainly due to decrease in other payables.

Shareholders' equity

Total equity as at March 31, 2017 was Baht 5,042 million, increased by Baht 433 million or 9.4% from the last period, due to increase in net profit for the period.

Sincerely yours,

(Ms. Tientip Narach)
Senior Vice President – Finance and Accounting

CC: Secretary General, Office of the Securities and Exchange Commission