



บริษัท อิชิตัน กรุ๊ป จำกัด (มหาชน)

เลขที่ 2922/301-303 อาคารชาญอิสระทาวเวอร์ 2 ชั้น 28 ถนนเพชรบุรีตัดใหม่ แขวงบางกะปิ เขตห้วยขวาง กรุงเทพมหานคร 10310

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No: ICHI-010/2017

August 10, 2017

Subject : Clarification of Operating Results for Q2'2017, ended June 30, 2017

To : The President
The Stock Exchange of Thailand

Ichitan Group Public Company Limited clarifies operating results for Q2'2017, ended June 30, 2017 as the following;

Sales

In Q2/2017, the company has sales revenue 1,438.9 million baht, which is 3.9% decreased from Q2/2016 that had sales revenue 1,497.3 million baht. The sales revenue is decreased because the ready-to-drink tea market is not growing and intense competition.

For the sales revenue of 6 months of year 2017 and 2016 are 2,927.0 million baht and 3,189.2 million baht respectively. It is decreased by 262.2 million baht or 8.2% because the ready-to-drink tea market is not growing and intense competition.

Cost of sales

Cost of sales of the company for Q2/2017 is 1,110.0 million baht or equivalent to 77.1% of sales. Cost of sales for Q2/2016 was 1,081.5 million baht or 72.2% of sales. The company has higher percentage cost of sales due to price competition.

Cost of sales for 6 months of year 2017 and 2016 are 2,245.1 million baht and 2,188.2 million baht or equal to 76.7% and 68.6% respectively. The company has higher percentage cost of sales due to price competition.

Distribution Costs

The company has distribution costs in Q2/2017 and Q2/2016 equals to 175.1 million baht and 197.3 million baht respectively. When compare distribution costs over the sales in Q2/2017 and Q2/2016, which is 12.2% and 13.2%, the percentage of distribution costs is lower due to an efficient plan.

For the first 6 months of year 2017 and 2016, the company has 376.9 million baht and 439.8 million baht as distribution costs or equivalent to 12.9% and 13.8% of sales revenue respectively. The percentage of distribution costs is lower due to an efficient plan.

Administrative Expenses

For Q2/2017 and Q2/2016, company has 38.5million baht and 45.2 million baht equivalent to 2.7% and 3.0% of sales revenue respectively, the percentage is slightly lower.

For the first 6 months of year 2017 and 2016, company has 73.2 million baht and 93.0 million baht as administrative expenses or equivalent to 2.5% and 2.9% of sales revenue respectively, the percentage is slightly lower.

Finance Costs

Finance costs of the company for Q2/2017 are 16.3 million baht which is decreased comparing with Q2/2016 that is 18.6 million baht due to reduction of loans from financial institutions

Finance costs of the company for 6 months of year 2017 and 2016 are 34.3 million baht and 38.7 million baht which is decreased comparing with the same period in last year due to reduction of loans from financial institutions

Share of loss of investment in joint venture

The company has share of loss of investment in joint venture in Q2/2017 and Q2/2016 equals to 39.4 million baht and 8.3 million baht respectively. Loss of investment is increased 31.1 million baht due to marketing expenses in Indonesia.

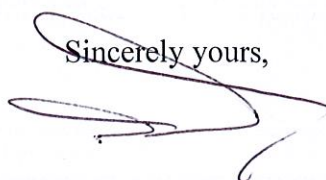
For the first 6 months of year 2017 and 2016, company has 83.2 million baht and 21.9 million baht as share of loss of investment in joint venture. Loss of investment is increased 61.3 million baht due to marketing expenses in Indonesia.

Net Profit

For Q2/2017, the Company's net profit is 90.2 million baht, or 6.3% net profit margin. Net profit is decreased comparing with the same period in the last year that is 142.1 million baht or 9.5% of sales. Net profit is decreased 36.5%.

For 6 months of 2017, the Company's net profit is Baht 152.7 million, or 5.2% net profit margin. Net profit is decreased comparing with the same period in last year that is Baht 391.9 million or 12.3% of sales. Net profit is decreased 61.0%.

Sincerely yours,



(Mrs. Eng Passakornnatee)
Senior Executive Vice President