

November 13, 2017

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 Financial Statements for the 3 months period and 9 months period, ending September 30, 2017 and 2016, together with the clarification of the performance of the Company and its subsidiaries as follows:

Performance in the Quarter Ending September 30, 2017 (Quarter 3)

Revenue from Sales and Services

The Company and its subsidiaries generated revenues of THB 2,075 million from the sales and services, which is decreased from the same quarter of the previous year in the amount of THB 44 million or equivalent to an decrease of 2.1 percent, because the growth of the same store sales of the domestic restaurants and bakery shops are decreased by 3.2 percent and 7.2 percent respectively as a result of an domestic economic slowdown and the growth of the same store sales of the overseas restaurants are decreased by 21.0 percent respectively caused by a higher competition in a restaurant business and an economic slowdown in Singapore.

Revenues Classified by Distribution Channels	Quarter 3 of 2017	Quarter 3 of 2016	Variation THB
Domestic Restaurant and Bakery Business	1,615	1,652	(37)
Food and Bakery Wholesales Business	231	233	(1)
Overseas Restaurant Business	219	225	(6)
Others	10	9	0
Total	2,075	2,119	(44)

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

In the Quarter 3 of 2017, the Company has earnings before interest payable, tax, and depreciation (EBITDA) pursuant to the Financial Statements in the amount of THB 260 million, which is decreased by THB 5 million or 2.0 percent compare to the Quarter 3 of 2016. The Company still has the EBITDA profit margin equal to the same period of the previous year at the rate of 12.5 percent because of its better capability to control the manufacturing costs, despite that the Company incurred the increased selling and administration expenses in the amount of THB 26 million (equal to 3.3 percent) comparing to the same quarter of the previous year. A main reason is to the increase of the staff cost resulting from the increase of minimum wages and the employment due to the branch expansion, as well as the increase of the rents of the existing branches and new branches.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	Quarter 3 of 2017	Quarter 3 of 2016	Variation THB	%
EBITDA Pursuant to the Financial Statements	260	265	(5)	(1.9)
EBITDA Profit Margin (percentage)	12.5	12.5		0.0

Net Profit

In the Quarter 3 of 2017, the Company and its subsidiaries earn the net profit in the amount of THB 144 million, which is increased from the same quarter of the previous year by THB 23 million equivalent to 18.6 percent, which resulted in an increase of the profit margin from 5.7 percent to 6.9 percent.

Net Profit	Quarter 3 of 2017	Quarter 3 of 2016	Variation THB	%
Net Profit Pursuant to the Financial Statement	144	121	23	19.0
Profit Margin Pursuant to the Financial Statement (percentage)	6.9	5.7		1.2

Performance for the 9 months period ending on September 30, 2017

Revenues from the Selling and Services

In the first nine months of 2017, the Company and its subsidiaries earned the revenues from the selling and services in the amount of THB 5,706 million, which is decreased from the same period of the previous year by THB 32 million or equivalent to 0.6 percent. The sales of the domestic restaurant and bakery business are increased by 0.4 percent due to an expansion of the restaurants and bakery shops under the brand "S&P". However, the growth of the domestic retail channels is slightly decreased by 2.5 percent comparing to the same period of the previous year because the decreased revenues at supermarkets. The ratio of the revenues from the domestic sales and services and the overseas sales and services in the first nine months of 2017 are equal to 88.4 percent and 11.6 percent respectively.

Revenues Classified by Distribution Channels	9 Months of 2017	Nine Months of 2016	Variation THB
Domestic Restaurant and Bakery Business	4,462	4,444	18
Food and Bakery Wholesale Business	552	566	(14)
Overseas Restaurant Business	662	698	(36)
Other	30	30	(0)
Total	5,706	5,738	(32)

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

In the first nine months of 2017, the Company's earnings before interest, tax, depreciation and amortization (EBITDA) pursuant to the Financial Statements is in the amount of THB 668 million, which is decreased by 10.2 percent because in the second quarter of 2016, the Company recorded the one-time profit generated from the sales of the investment funds in HD Distributor (Thailand) Co., Ltd. in the amount to THB 84.5 million.

If considered the profit margin from the normal operations of the first nine months of 2017 comparing to the first nine months of 2016, the Company earned the increased EBITDA profit margin from 11.5 percent to 11.7 percent.

Earnings before Interest, Tax, Depreciation and Amortization (EBITDA)	9 Months of 2017	9 Months of 2016	Variation THB	%
EBITDA Pursuant to the Financial Statements	668	744	(76)	(10.2)
EBITDA Profit Margin (percentage)	11.7	13.0	-	(1.3)
EBITDA from Normal Operations	668	660	8	1.2
EBITDA Profit Margin (percentage)	11.7	11.5	-	0.2

Net Profit

In the first nine months of 2017, the Company and its subsidiaries earned the net profit pursuant to the Consolidated Financial Statements in the amount of THB 305 million, which is decreased from the same period of the previous year in the amount of THB 41 million or equivalent to 11.8 percent because the one-time profit acknowledgement as a result of the sales of the investment funds in HD Distributor (Thailand) Co., Ltd. as mentioned above.

If considered the net profit from the normal operations of the first nine months of 2017, finding that the net profit is increased from the same period of the previous year in the amount of THB 22 million equal to 7.8 percent, which resulted that the profit margin increased from 4.9 percent to 5.3 percent.

Net Profit	9 Months of 2017	9 Months of 2016	Variation THB	%
Net Profit Pursuant to the Financial Statement	305	346	(41)	(11.8)
Profit Margin Pursuant to the Financial Statement (percentage)	5.3	6.0		(0.7)
Net Profit from Normal Operations	305	283	22	7.8
Profit Margin from the performance (percentage)	5.3	4.9		0.4

Statements of Financial Position and Statement of Cash Flows

As of the end of the Quarter 3 of 2017, the total assets of the Company and its subsidiaries are THB 3,620 million. This is caused by a decreased of the current assets in the amount of THB 96 million from the total assets as of the end of 2016 equal to THB 3,714 million. While the long-term assets are still in the same range as at the end of the last year, which is mainly resulted from:

1. A increase of cash and cash equivalents in the amount of THB 70 million, which is caused by the better management of the working capital because the debt collections from the overdue debtors are more effective, and the management of the trade creditors is better;
2. A decrease of the investment in the trading securities in a debt fund in the amount of THB 200 million
3. An increase of the inventories in the amount of THB 48 million, which are mostly the moon cakes prepared for selling during a moon festival.

The Company's total debt is THB 1,280 million as of the end of the Quarter 3 of 2017, which is decreased by THB 13 million from the total debts as of the end of 2016 amounting to THB 1,293 million because of the decreased of the current liabilities in the amount of THB 20 million as a result of the repayment of the short-term loan to the financial institutions as well as the decrease of the outstanding Corporate Income Tax, while the non-current liabilities are slightly increased from the last year due to the employees benefits encumbrance.

The Company's shareholder equity is decreased in the amount of THB 81 million from THB 2,421 million to THB 2,340 million, which is mostly caused by the dividend payment in the amount of THB 378 million, which are the dividend payment from the performance of 2016 in the amount of THB 344 million and paid on May 11, 2017, and the interim dividend payment from the performance of the first six months of 2017 in the amount THB 34 million and paid on September 13, 2017.

The cash flows' Company and its subsidiaries from the performance is THB 549 million, which increase by THB 73 million from the previous year, because of (1) an increase of the earnings before tax from the performance in the amount of THB 21 million (excluding the one-time profit) (2) an increase of the trade debtors and other debtors in the amount of THB 84 million (3) an increase of the trade creditors, and other creditors in the amount of THB 88 million (4) an decrease of the long-term deposit, and a decrease of other current assets in the amount of THB 33 million and THB 50 million respectively.

The Company and its subsidiaries have cash flows from the investment is the amount of THB 108 million, which is caused by the cash receipt-payment from the sales of the temporary investment in the amount of THB 200 million and the cash for the purchase of the permanent assets, intangible assets and leasehold in the amount of THB 294 million

The Company has the net cash to be paid generated from the fund raisings in the amount of THB 385 million, which is mostly caused by (1) cash received from the short-term loan from the financial institutions in the amount of THB 8 million (2) dividend payment in the amount of THB 375 million.

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