

(-Translation-)

No: SN. 029/2018

May 14, 2018

Subject: Clarification of Operating Results and Financial Status the six-month period ended March 31, 2018

Attention: President

The Stock Exchange of Thailand

Oishi Group Public Company Limited and subsidiaries clarify consolidated operating results and consolidated financial statements for the three-months and the six-month period and Financial Position as of ended March 31, 2018 as the followings,

### **Oishi Group Financial Performance for three-month period of Quarter 2/2018**

#### **Sales**

Total sales revenue of the company for Q2'2018 was Baht 3,123 million, decreased by Baht 340 million or 9.8% from Q2'2017 that was explained as follows,

#### **Beverages business**

The beverage sales for Q2'2018 was Baht 1,516 million, decreased by Baht 353 million or 18.9% from Q2'2017, mainly from total green tea market declined but we still maintained as market leader and some part from fire incident of UHT production line, which was fully covered by insurance for properties damaged and business interruption. However, the export sales grew significantly and help overall beverages sales.

#### **Food business**

Despite of overall Thailand economic in this quarter was stagnant, the food sales for Q2'2018 was Baht 1,607 million, increased by Baht 13 million or 0.8% from Q2'2017 mainly from continued store expansion.

#### **Cost of Sales**

Total cost of sales of the company for Q2'2018 was Baht 2,003 million, decreased by Baht 105 million or 5.0% from Q2'2017 that was explained as follows,

### Beverages business

Beverages cost of sales decreased mainly from cost reduction of raw materials and packaging, which partly offset the increased of excise tax.

### Food business

Food cost of sales was maintained due to improve efficiency in restaurant operation.

### **Selling Expenses**

Selling expenses of Q2'2018 was Baht 415 million, slightly increased by Baht 4 million or 0.9% or Baht 4 million from Q2'2017, mainly from beverage's brand investment for summer promotion partly offset by decreased of food's promotion expenses due to efficiency control.

### **Administrative Expenses**

Administrative expenses of Q2'2018 was Baht 525 million, decreased by 2.5% or Baht 13 million from Q2'2017, mainly from cost reduction of employee cost and office supplies.

### **Non-Recurring Item**

In Q2'2018, the company recognized insurance claim revenue for business interruption due to the fire incident on November 27, 2017 at UHT production line, located in Navanakorn Industrial Estate of Baht 68 million.

### **Net Profit**

Net profit of Q2'2018 was Baht 244 million, decreased by Baht 173 million or 41.6%, mainly from decreased of beverages sales, which partly offset by reduction of raw materials and packaging cost, and administrative expenses due to efficiency improvement.

## **Oishi Group Financial Performance for six-month period of First Half Year 2018**

### **Sales**

Total sales revenue of the company for first half year 2018 was Baht 6,281 million, decreased by Baht 354 million or 5.3% that was explained as follows,

### Beverages business

The beverage sales for first half year 2018 was Baht 3,058 million, decreased by Baht 397 million or 11.5% from same period of 2017, mainly from total green tea market declined but we still maintained as market leader and some part from fire incident of UHT production line, which was fully covered by insurance for properties damaged and business interruption. However, the export sales grew significantly and help overall beverages sales.

### Food business

Despite of overall Thailand economic in this first half year 2018 was stagnant, the food sales for first half year 2018 was Baht 3,223 million, increased by Baht 43 million or 1.4% from same period of 2017, mainly from continued store expansion.

### Cost of Sales

Total cost of sales of the company for first half year 2018 was Baht 4,030 million, decreased by Baht 82 million or 2.0% from same period of 2017 that was explained as follows,

#### Beverages business

Beverages cost of sales decreased mainly from cost reduction of raw materials and packaging, which partly offset the increased of excise tax.

#### Food business

Food cost of sales was maintained due to improve efficiency in restaurant operation.

### Selling Expenses

Selling expenses for first half year 2018 was Baht 764 million, decreased by Baht 57 million or 6.9% from same period of 2017, mainly from promotion cost decreased due to improvement of efficiency control.

### Administrative Expenses

Administrative expenses for first half year 2018 was Baht 1,006 million, decreased by Baht 52 million or 4.9% from same period 2017, mainly from cost reduction of employee cost, rental expenses and office supplies.

### Non-Recurring Item

For first half year 2018, the company recognized insurance claim revenue for business interruption due to the fire incident on November 27, 2017 at UHT production line, located in Navanakorn Industrial Estate of Baht 68 million.

### Net Profit

Net profit of first half year 2018 was Baht 540 million, decreased by Baht 146 million or 21.3% from same period 2017, mainly from decreased of beverages sales, which partly offset by reduction of raw materials and packaging cost, and administrative expenses due to efficiency improvement.

## **Oishi Group Financial Position as of March 31, 2018**

### **Assets**

Total assets as of March 31, 2018 was Baht 9,583 million, decreased by Baht 124 million or 1.3% from the year end of 2017 that explained as follows,

Current assets were Baht 3,458 million, increased by Baht 818 million or 30.9% from the year end 2017, mainly from increased of trade account receivable from sales and other receivables for insurance claim of assets loss due to fire incident.

Non-current assets were Baht 6,124 million, decreased by Baht 942 million or 13.3% from the year end 2017, mainly from plant and equipment's depreciation and UHT production line assets loss due to fire incident, which was fully covered by insurance for properties damaged and business interruption.

### **Liabilities**

Total liabilities as of March 31, 2018 was Baht 3,884 million, decreased Baht 232 million or 5.6% from the year end of 2017

Current liabilities were Baht 2,799 million, increased by 769 million or 37.9% from the year end 2017, mainly from reclassification of Debentures of Baht 1,000 million from non-current liabilities to current liabilities, which partly offset of decreased in trade accounts payable and payables for acquisition of assets.

Non-current liabilities were Baht 1,085 million, decreased by Baht 1,001 million or 48.0% from the year end 2017, mainly from reclassification of Debentures of Baht 1,000 million from non-current liabilities to current liabilities.

### **Shareholders' Equity**

Total equity as of March 31, 2018 was Baht 5,699 million, increased by Baht 108 million or 5.31% from the year end of 2017, due to increase in net profit for the period and partly offset by dividend payment.

Sincerely yours,

-Signature-

(Mrs. Nongnuch Buranasetkul)  
President and CEO

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