

Ref. POL. 085/2019

August 8th 2019

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 subsidiaries hereby submit the Annual Financial Statements, ending June 30, 2019 and 2018, together with the clarification of the performance of the Company and subsidiaries as follows:

S&P Syndicate PCL and subsidiaries operating performance for 2nd quarter Ending 30 Jun 2019

Revenue from Sales and Services

In the second quarter of year 2019, the Company and subsidiaries generated revenues from the sales and services of THB 1,732.92 million decreased from the same period of the previous year in the amount of THB 48.47 million or decreased of 2.72 percent from restaurants and bakery shops in domestic and overseas businesses. The growth of the same store sales of restaurants and bakery shop in domestic under brand “S&P” decreased by 4.90 percent.

Overseas restaurant business revenues from the sales and services decreased from the same period of the previous year in the amount of THB 50.83 million or equivalent to the decrease of 30.23 percent come from disposal of all share which held in Patara Fine Thai Cuisine Pte. Ltd (Patara) and SK Catering Pte. Ltd (SKC) Singapore total 11 Thai restaurants in the 4th quarter of 2018.

In second quarter of 2019, the Company generated revenues from the foods and bakery wholesales in the amount of THB 201.30 Million increased by THB 46.81 Million or equivalent to 30.30 percent come from increasing of sales from the package foods including with foods service in convenience stores and modern trade outlets.

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

In the second quarter of year 2019, the Company had earnings before interest, tax, depreciation and amortization(EBITDA) from operation pursuant Consolidated Financial Statements in the amount of THB 94.17 million decreased by THB 60.30 million or 39.04 percent come from cost of sales and services in the amount of THB 1,015.97 million which increased from 56.92 percent to 58.63 percent of revenue from the second quarter of year 2018 or increased by 1.71 percent from the same period, the Company had the increasing of selling and administration expenses for restaurant and bakery business come from the

rents of the existing stores and new stores and come from recognized the service cost in the past from employee benefit according to The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on April 5, 2019. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This caused a onetime expense of THB 39.60 million in this quarter. As a result, EBITDA from the performance in Q2/2019 decreased from 8.55 percent to 5.38 percent.

Net Profit

At the second quarter of Year 2019, the Company and subsidiaries net profit from operations pursuant to the Consolidated Financial Statement in the amount of THB 14.38 million which decreased from the same period of the previous year by THB 42.86 million, equivalent to 74.88 percent, which resulted from sales decreased in domestic restaurants and overseas restaurants and the onetime expense from recognized the service cost in the past from employee benefit according to The Labor Protection Act (No. 7) B.E. 2562 of THB 39.60 million. As a result, the Company's net profit margin to total revenue was 0.83 percent.

Performance of the Company and subsidiaries for 1st half Ending 30 Jun 2019

Revenue from Sales and Services

In the first half of year 2019, the Company and subsidiaries generated revenue of THB 3,475.16 million from the sales and services decreased from the same period of the previous year in the amount of THB 110.86 million or 3.09 percent from restaurants and bakery shops in domestic businesses and oversea business. The growth of the same store sales of restaurants and bakery shop in domestic under brand "S&P" decreased by 2.70 percent.

Overseas restaurant business revenue from sales and services, which decreased from the same period of the previous year in the amount of THB 108.58 million or equivalent to the decrease of 31.80 percent as a result of disposal of all share which held in Patara Fine Thai Cuisine Pte. Ltd (Patara) and SK Catering Pte. Ltd (SKC) Singapore total 11 Thai restaurants in the 4th quarter of year 2018

In the first half of year 2019, the Company generated revenue from the food and bakery wholesales in the amount of THB 344.43 Million which increased by THB 28.79 Million or equivalent to 9.12 percent caused by the increase of sales from package food and food service in convenience stores and modern trade outlets.

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

In the first half of year 2019, the Company had earnings before interest, tax and depreciation (EBITDA) from operation and the Consolidated Financial Statements in the amount of THB 261.00 million decreased by THB 79.20 million or 23.28 percent caused by the decrease of revenue, the increase of the company's selling and administration expenses and cost recognized of service in the past for employee benefit in accordance with The Labor Protection Act (No. 7) B.E. 2562 has been announced in the Royal Gazette on

April 5, 2019. This Labor Protection Act stipulates additional legal severance pay rates for employees who have worked for an uninterrupted period of twenty years or more. Such employees are entitled to receive compensation of not less than 400 days at the employees' latest wage rate. This caused a onetime expense from of THB 39.60 million in this quarter. As a result, the Company's EBITDA from the total performance decreased from 9.36 percent to 7.44 percent.

Net Profit

In the first half of year 2019, the Company and subsidiaries earn net profit from operations pursuant to the consolidated financial statements in the amount of THB 87.67 million decreased from the same period of the previous year by THB 51.38 million, equivalent to 36.95 percent, which resulted from sales decreased in in the domestic restaurants and overseas restaurants and the onetime expense from recognized the service cost in the past from employee benefit according to The Labor Protection Act(No. 7) B.E. 2562 in the amount of THB 39.60 million. As a result the Company's net profit margin to total revenues decreased from 3.83 percent to 2.50 percent.

The Financial Statements is attached herewith for your acknowledgement and disseminating to investors accordingly.

Yours Sincerely,

(Kamtorn Sila-On)

President Production and Finance

S & P Syndicate Public Company Limited