

No PO.114/2559

August 10th, 2016

Re: Submittal of Financial Statements and Clarification of the Operating Performances of S&P Syndicate Public Company Limited - for Q2/2016

To: President
The Stock Exchange of Thailand

S&P Syndicate Public Company Limited (“the Company”) and its subsidiaries would like to submit herewith the Financial Statements for the 3 Month Period and 6 Month Period ,ended June 30th,2016 and 2015, together with the clarification of the Company and its subsidiaries Operating Performances as follows:

Operating Performances for Quarter ended June 30th,2016 (2nd Quarter)

The Company and its subsidiaries presented a Net Profit for Q2/2016 at 136.46 Million Baht, a Baht 10.66 Million increase from the same Quarter of last year, or 8.47 percent growth, mainly from the following causes:

Revenues from sales and services

The Company and its subsidiaries reported the Revenue from Sales and Services at Baht 1,837.40 Million, a Baht 110.64 Million increase from the same period of last year, or 6.41 percent increase. The revenue increase was mainly from continuous launches of marketing activities and numbers of branch increases during Q2/2016.

Gross Profit Margin

The Company and its subsidiaries reported a gross profit margin decrease from 46.96 percent in Q2/2015 to 44.47 percent in Q2/2016, caused mainly from increases in raw materials cost and labor cost, especially labor cost from increases in number of new branches – while sales did not sufficiently grow.

Expenses

The Company and its subsidiaries reported their selling expenses at Baht 51.92 Million, an increase of 5.53 Million, or 11.91 percent, due mainly to promotional expenses to promote sales and increase of sales from new product launches.

Administrative Expense in Q2/2016 was reported at Baht 654.28 Million, a Baht 25.51 Million or 4.06 percent increase from the same period of last year, caused mainly from employee annual salary adjustment and increase in number of employees from new branch expansion, including rent and depreciation expenses of existing and new branches.

Other Transaction

In Q2/2016 the Company and its subsidiaries recorded Baht 84.50 Million realized Gain (before tax) from Sale of Investment in HD Distributors(Thailand)Co.,Ltd..

Operating Performances for 6 Month Period ended June 30th,2016 (H1/2016)

The Company and its subsidiaries presented a Net Profit for the 6 Month Period (H1/2016) at Baht 224.55 Million, a Baht 21.68 Million decrease from the same period of last year or 8.80 percent decrease, mainly from the following causes:

Revenues from sales and services

The Company and its subsidiaries reported the Revenue from Sales and Services at Baht 3,618.55 Million, a Baht 141.72 Million increase from the same period of last year, or 4.08 percent increase.

Gross Profit Margin

The Company and its subsidiaries reported a gross profit margin decrease from 46.95 percent in H1/2015 to 45.26 in H1/2016, caused mainly from increases in raw materials cost, depreciation expenses and labor cost increase, especially labor cost from increases in number of new branches – while sales did not sufficiently grow.

Expenses

The Company and its subsidiaries reported their selling expenses at Baht 111.18 Million, an increase of 19.98 Million, or 21.91 percent, due mainly to issuances of advertising media and marketing activities to promote sales.

Administrative Expense in H1/2016 was reported at Baht 1,305.49 Million, a 4.20 percent increase from the same period of last year, caused mainly form increase in number of employees from new branch expansions – local and abroad, employee annual salary adjustment, rent increases in existing branches due to adjustment of rent collection method in Hypermarket sections, including rent and depreciation expenses of new branches.

For your kind consideration. Also submitted herewith the Financial Statements for further informing to investors.

Your Sincerely

(KessudaRaiva)

President

S&P Syndicate Public Company Limited