

HO.031/ 2560

February 23rd, 2017

Re: Submittal of Financial Statements and Clarification of the Operating Performances of S&P Syndicate Public Company Limited - for the Year 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 Year ended December 31st, 2016, together with the clarification of the Company and its subsidiaries Operating Performances as follows:

Annual Operating Performances for the period of January – December 2016

Revenues from sales and services

The Company and its subsidiaries reported Revenue from Sales and Services at 7,774.9 Million Baht, a y-o-y increase of 222.9 million Baht or 2.9% increase. The revenue increase was mainly from the increase of revenues of both our domestic restaurant and abroad, increase number of bakery shops in domestic market, continuous launches of marketing activities (e.g. new products, promotional programs and food menu adjustments) to increase sales of the newly increased restaurants and the existing ones. Despite the economic growth of the country was just 3 percent and increasing competitors, the growth in Revenue of the Company and subsidiaries was still achieved at 2.9 percent.

Through channels of distribution, domestic restaurant and bakery business revenue growth was 4.4 percent. Trading through retail stores, convenience stores and supermarkets increased 6.8 percent from expanding customer bases, new products, supported by continuous promotional activities.

The Overseas Restaurant Business presented 7.6 percent lower than last year due to slow economic growth and political uncertainties from re-lection in many countries and BREXIT of Great Britain which affected to major businesses where our branches were located, in addition to stronger competition. While the expansion in China and AEC contributed more revenues, but to some extent due to early stage of business.

Gross Profit Margin

The Company and its subsidiaries reported a gross profit margin of 3,475.9 million Baht in 2016, a 2.2 lower than prior year, from the increase in raw material costs and costs of labor. The raw material supplies were affected from draught, flood and competition of raw material purchase of foreign buyers, which caused drastic increase in raw material prices and affected to costs and gross margin of the Company and subsidiaries.

Selling and Administrative Expenses

The Company and its subsidiaries reported the selling and administrative expenses at 3,000.7 million baht in 2016, a 6.3 percent increase y-o-y. The increase was due to more marketing activities executed to boost sales, increase in rent and service fees of branches, additional depreciation of newly expanded branches, employee salary increase and increase in staffs for newly expanded branches.

Profit for the Year 2016

Due to all matters above mentioned, the 2016 Annual Profit of the Company and its subsidiaries was presented at 437.5 million Baht, 168.6 million Baht lower than prior year.

Financial Position of the Company.

The Company and its subsidiaries reported a Total Assets as of December 31st, 2016 at 3,713.7 million Baht million Baht, a net decrease of 93.0 million Baht from last year, or 2.4 percent.

Total Liabilities was at 1,293.1 million Baht and the Shareholders' Equity was at 2,420.6 million Baht, about the same level of Last year figures. Debt/Equity ratio of the Company and its subsidiaries was at 0.53 time, compared to 0.52 Debt/Equity Ratio in 2015, which still fairly represents a strong financial position of the Company and its subsidiaries, low debts and the readiness for any future expansion.

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

Your Sincerely,

(Kessuda Raiva)
Chief Executive Officer
S&P Syndicate Public Company Limited

cc: Secretary General - The Office of Securities and Exchange Commission