

- Translation -

11 May 2018

Subject: Management's Discussion and Analysis for the Operating Results of the First Quarter of 2018

Attention: The President of the Stock Exchange of Thailand

Exotic Food Public Company Limited (the "Company") would like to submit the financial statements for the first quarter ended March 31st, 2018, which have been reviewed by the independent auditor. The Company's net profit increased by 218.77% to Baht 46.03 million from Baht 14.44 million in the comparable quarter of 2017. The clarification of the Company operating results is as follows:

Income Statement (in million Baht)	1Q17	1Q18	% YoY
Revenue from sale of goods	254.87	268.16	5.21%
Cost of sale of goods	(185.43)	(172.39)	-7.03%
Gross profit	69.44	95.77	37.92%
Selling expenses	(19.40)	(16.52)	-14.85%
Administrative expenses	(34.27)	(29.39)	-14.24%
Operating profit	15.77	49.86	216.17%
Investment income	-	-	-
Net foreign exchange gain/(loss)	0.45	(0.80)	-277.78%
Other income	0.68	0.81	19.12%
Earnings before interest and taxes	16.90	49.87	195.09%
Finance costs	(0.26)	(0.60)	130.77%
Profit before income tax expense	16.64	49.27	196.09%
Income tax expense	(2.20)	(3.24)	47.27%
Profit for the period	14.44	46.03	218.77%

Revenue from Sales

In the 1st quarter of 2018, the Company had total revenue from sales in the amount of Baht 268.16 million, which resulted in an increase of Baht 13.29 million or 5.21%, provided that the Company's sales volume has increased 5.31% as a result of an increase in sales volume of sauces and condiments.

	1Q17	1Q18	% YoY
Sales volume (Ton)			
- Euro	356	623	75.00%
- United States dollar	875	927	5.94%
- Thailand baht	2,345	2,216	-5.50%
Total sales volume (Ton)	3,576	3,766	5.31%
Average FX			
- THB/EUR	36.99	38.36	3.70%
- THB/USD	34.89	31.33	-10.20%

Cost of Sales

Cost of sales for the 1st quarter of 2018 was Baht 172.39 million which decreased in the amount of Baht 13.04 million or 7.03% as compared with the same period of 2017. This decrease was due to a decrease in raw material prices, reversal of losses on inventories devaluation, and lower production labor cost.

Gross Profit Margin

Gross profit margin is equal to 35.71% in the 1st quarter of 2018, which rose from 27.25% that was booked in the same quarter of 2017. The main cause stemmed from the decrease in sugar prices and cost of production. Since the 1st quarter of 2017, the Company had been relocating its production lines of sauces and condiments to the new factory, such relocation may give rise to the duplicated cost of labor between the factory at Laem Chabang and the new factory at Amata City to incur. In addition, during such period, the new factory was in the early stage of production so the production was unable to run efficiently.

Selling Expenses

Selling expenses for the 1st quarter of 2018 were Baht 16.52 million, which decreased Baht 2.88 million or 14.85% from the same period of 2017. The main reason of such decrease is due to a decrease in sales promotion.

Administrative Expenses

Administrative expenses for the 1st quarter of 2018 were Baht 29.39 million, which decreased Baht 4.88 million or 14.24% from the same period of 2017. Such decrease stemmed from the decrease in staff costs and reclassification of fixed costs at the new factory that incurred as a result of lower-than-normal production capacity.

Net Profit

The Company's net profit for the 1st quarter of 2018 was Baht 46.03 million, which increased by 218.77% from Baht 14.44 million in the same quarter of 2017. Such increase stemmed from an increase in gross profit margin and a decrease in selling and administrative expenses.

Please be informed accordingly.

Sincerely yours,

-Signed-

(Mr. Jittiporn Jantarach)

Managing Director