

ABICO 009/KV/2017

May 11, 2017

Subject : Explanation on operation result for the Quarter ended March 31, 2017

To : Director and Manager
Stock Exchange of Thailand

Abico Holdings Public Company Limited would like explanation about the Company's financial performance and operation result and submit our reviewed financial statements for Quarter 1/2017

Summary of the Company's for the three-month period ended March 31, 2017 compared to that of the period ended March 31, 2016 as follow:

Summary of operation result for the period ending on March 31, 2017

(1) Total income from sales, comparing with the last year, as follows:

<u>Company/business</u>	<u>(Unit: Million Baht)</u>		
	<u>For the year ending on March 31</u>		
	<u>2017</u>	<u>2016</u>	<u>Increase(decrease)</u>
Producer and distributor of ready-to-drink milk, drinks and fruit juices	107.52	104.45	3.07
Immovable property business	2.72	3.17	(0.45)
Agriculture and dairy farm	10.14	12.66	(2.52)
Total	120.38	120.28	0.10

- Business distributor of ready-to-drink milk, drinks and fruit juices had increasing income from last year amount Baht 3.07 million, to be 2.93% because in Q1'2017, the Company had increase delivery to be 10%.

- Immovable property business had decreasing income from last year, Baht 0.45 million near that of last year.

- Business agriculture and dairy farm had decreasing income amount Baht 2.52 million, because in dairy milk for sales decreased from the same quarter last year 24%

(2) Cost of sales

The cost of sales decreased from the last year amounting Baht 1.60 million, to be 1.56% near that of last year.

(3) Commission income amount Baht 2.34 million, increased from quarter 1/2016 amount Baht 0.52 million to be 29% because delivery volume increased from same quarter last year.

(4) Administrative expenses amount Baht 13.18 million, decreased from the quarter 1/2016 Baht 2.74 million because its subsidiary company has improve plant some time has been fixed cost with respect to the production costs to administration expenses.

(5) Expense of income tax for the year ending March 31, 2017 and 2016 consisted of the followings:

	(Unit: Million Baht)	
	<u>2017</u>	<u>2016</u>
- Current period income tax	0.55	0.32
- Income tax waiting for amortization	(0.03)	0.95
Total	<u>0.52</u>	<u>1.27</u>

Analysis of financial status

	(Unit: Million Baht)			
<u>Assets</u>	31 March 2017	%	31 December 2016	%
Trade and other receivables	66.04	5%	60.87	5%
Inventories	73.54	6%	67.80	6%
Investment in associated company	504.94	39%	474.65	37%
Property, plant and equipment	547.60	43%	557.68	45%
Biological assets – dairy cow	41.59	3%	38.56	3%
Others	56.43	4%	52.82	4%
Total assets	<u>1,290.14</u>	<u>100%</u>	<u>1,252.38</u>	<u>100%</u>

Total assets were Baht 1,290.14 million, increasing from the year 2016, amounting Baht 37.76 million to be 3%.

- Trade and other receivables increased for Baht 5.17 million, the Company had increase delivery relate revenue from sales and services.
- Inventories increased for Baht 5.73 million, during quarter 1/ 2017, the Company had a order to be used for the production of raw materials to customers increased.
- Investment in associated company increased for 30.29 million Baht, because share of profit of associate.
- Property, plant and equipment decreased for Baht 10.08 million, to be 1.80%, because investments in equipment for 1.31 million Baht, and calculate depreciation operation amount 11.12 million Baht.

- Biological assets – dairy cow increased for Baht 3.03 million, because gain from change in fair less estimated point-of-sale cost dairy cow
- Other assets were cash and equivalent transactions to cash, deferred income tax assets and assets not used in operation.

(Unit: Million Baht)

Liabilities	31 March 2017		31 December 2016	
		%		%
Bank overdrafts and short-term loan	-	-	50.00	10%
Trade and other payables	49.91	10%	48.68	10%
Liabilities under financial lease agreement	73.87	15%	80.31	17%
Long – term loan	292.28	60%	236.85	49%
Others	74.31	15%	70.27	14%
Total liabilities	490.37	100%	486.11	100%

Total liabilities were 490.37 million Baht, increasing 4.26 million Baht, to be 0.87%.

- Bank overdrafts and short-term loan decreased Baht 50 million because its subsidiary has repayment bill of exchange.
- Trade and other payables increased for 1.23 million Baht because the Company had a order to be used for the production of raw materials to customers increased.
- Liabilities under financial lease agreement decreased Baht 6.44 million paid to financial lease agreement period.
- Long – term loan increased Baht 55.43 million during quarter 1/ 2017 the company repayment loan Baht 4.92 million and received loan increased Baht 60.35 million.
- Other liabilities consisted of bank overdrafts form financial institutions, deferred tax liabilities, employee benefit obligation.

Please be kindly advised.

Yours sincerely,
Abico Holdings Public Co., Ltd.

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(Mr. Kitti Vilaivarangkul)
Managing Director