



“ทุกมื้อ จัดเต็มด้วยใจ”

HOT POT PLC

Registration No. 0107554000160

3-4, 6 Fl., Thanapat Building, 350 Tarm Inthra, Tha Raeng, Bang Khen, Bangkok 10230 Thailand

Tel: 0-2943-8448 (Automatic 12 Lines) Fax: 0-2943-8458

HPIR015/2017

Aug 10, 2017

Subject : Management Discussion and Analysis for the period ended

June 30,2017

To : The President
The Stock Exchange of Thailand

Duplicate : The Secretary General
The Securities and Exchange Commission

Hot Pot Public Company Limited (the “the Company”) would like to clarify the operating results for the period ended June 30, 2017 which decreased from the same period last year more than 20% as follows:

1. Operating Results

	Q2	Q2	Change		6	6	Change	
Unit : Million baht	2016	2017	Amount	%	months	months	Amount	%
Revenue from sales	571.55	473.58	(97.97)	-17.14%	1,043.10	993.18	(49.92)	-4.79%
Other income	3.65	3.50	(0.15)	-4.11%	8.36	6.19	(2.17)	-25.96%
Total revenue	575.2	477.08	(98.12)	-17.06%	1,051.46	999.37	(52.09)	-4.95%
Cost of sales	281.33	227.90	(53.43)	-18.99%	506.06	497.14	(8.92)	-1.76%
Gross profit	290.22	245.68	(44.54)	-15.35%	537.04	496.04	(41.00)	-7.63%
% Gross profit	50.78%	51.88%			51.48%	49.94%		
Selling and admin expenses	299.76	277.60	(22.16)	-7.39%	582.69	565.08	(17.61)	-3.02%
Other expenses	1.13	18.50	17.37	1537.17%	2.51	27.385	24.88	991.04%
Finance costs	5.13	3.20	(1.93)	-37.62%	9.14	6.7	(2.44)	-26.70%
EBITDA	27.04	(18.10)	(45.14)	-166.94%	28.27	(30.55)	(58.82)	-208.0%



“ทุกมือ จัดเต็มด้วยใจ”

EBITDA Margin (%)	4.70%	-3.79%			2.69%	-3.06%		
Profit(Loss) for the period	(11.71)	(51.30)	(39.59)	338.09%	(48.22)	-99.13	(50.91)	105.58%
% Profit (Loss)	-2.04%	-10.7%			-4.59%	-9.92%		

Revenue

Q2 2017, the Company's revenue from sales Baht 473.58 million, decreased by Baht 97.97 million or down 17.14% as compared to Q2 2016. Q2 2017 net selling price is higher than Q2 2016 by 5%. As a result, revenue is down due to the customer price sensitivity in many stores of Hot Pot.

Gross Profit

Gross profit of Q2 2017 decreased by Baht 44.54 million or down by 15.35 %, but the percentage of gross profit margin changing from 50.78% to 51.88% due mainly to the efficiency of food waste control and raw material purchasing in term of better price and volume deal.

Selling and Admin Expenses

% Selling and admin expenses to revenue of Q2 2017 and Q2 2016 are 58.18% and 52.11% respectively. The no. of staff has to be retained in order to maintain the standard of service. Thus, this expense will become the higher percentage of expense compared to the revenue.

Other Expenses

Q2 of year 2017, the company has closed 14 stores of which low revenue with the net losses or small profits with the loss of stores closed by 17.1 million baht. Since the beginning of this year, the company has reported loss of 25.5 million baht from 20 stores closed.



“ทุกมือ จัดเต็มด้วยใจ”

Trade accounts payable	167.94	146.78	(21.16)	-12.6%
Current portion of long term liabilities - loan from financial institutions	22.75	18.00	(4.75)	-20.9%
Other current liabilities	220.76	244.24	23.48	10.6%
Total current liabilities	452.63	461.96	9.33	2.1%
Long - term loan from financial institutions	58.75	51.25	(7.50)	-12.8%
Provision for asset dismantling	38.30	34.91	(3.39)	-8.9%
Other non-current liabilities	22.45	24.63	2.18	9.7%
Total non - current liabilities	119.50	110.79	(8.71)	-7.3%
Total liabilities	572.13	572.75	0.62	0.1%
Total shareholders' equity	123.33	24.20	(99.13)	-80.4%
Total liabilities and shareholders' equity	695.46	596.95	(98.51)	-14.2%

As of June 30, 2017, total assets decreased by Baht 98.51 million or down by 14.20% is due mainly from stores closed and depreciation of Baht 55 million.

Debt to Equity Ratio (D/E Ratio) as of June 30, 2017 is 23.66 : 1.

According to the General Shareholders' Meeting dated April 27,2017, the shareholders had approved to increase the registered capital by General Mandate for Baht 20.3 million from the registered capital Baht 101.5 million to Baht 121.8 million by issuing ordinary shares of 81,200,000 shares at Baht 0.25 per share; and to allocate the ordinary shares increase by General Mandate for 81,200,000 shares at Baht 0.25 per share by offering to the existing shareholders (Right Offering) for 40,600,000 shares and private placement 40,600,000 shares; and to approve the issuing and offering of debenture maturity not over 4 years in the amount not over Baht 500 million.

According to the Board of Directors' Meeting No.5/2017 dated June 27,2017, The Board of Directors had approved the significant matter that will be presented for the approval from the Extraordinary Meeting of the shareholders No.1/2017 on Sept 8, 2017 regarding the capital increase. This will help to improve the D/E ratio.

3. Statements of Cash Flows

Unit : Million Baht	6 Months Year 2017	6 Months Year 2016	Change	
			THB	%
Cash flows from operating	(8.33)	35.95	(44.28)	-123.2%



“ทุกมือ จัดเต็มด้วยใจ”

Cash flows from investing	(10.98)	(16.85)	5.87	-34.8%
Cash flows from financing	10.63	(8.13)	18.76	-230.8%
Net cash increase (decrease)	(8.68)	10.97	(19.65)	-179.1%
Cash at beginning of period	16.04	16.90	(0.86)	-5.1%
Cash at end of period	7.36	27.87	(20.51)	-73.6%

1. Net cash flows used in operating activities showing negative cash flow in amount of Baht 8.33 Million, consisted of operating loss of Baht 99.1 Million added back with major items of depreciation of Baht 56.7 Million, financing cost of Baht 6.7 Million, loss from branch closing and renovation of Baht 25.5 Million
2. Net cash flows used in investing activities of Baht 10.98 Million is mainly from cash payment for accounts payable-purchases of fixed assets of Baht 8.8 Million.
3. Net cash flows provided by financing activities of Baht 10.63 Million which is mainly from cash flow used for loan payment to financial institutions of Baht 12.2 Million, interest payment of Baht 6.6 Million and cash from bank overdrafts and S/T loan from financial institutions increased of Baht 11.7 and short term loan from related party of 25.0 million baht.

Please be informed accordingly.

Sincerely yours,

(Mr. Sompon Roekwibunsi)

Chief Executive Officer

Authorized to sign on behalf of the Company