



NPP. 046/2017

14 November 2017

Subject Management Discussion and Analysis Quarter 3 Ended 30 Sep 2017

To The President
of the Stock Exchange of Thailand

Management's Discussion and Analysis

Consolidated Financial Results for the three-month and the nine-month : Q3/2017

For the three-month ended 30 September 2017

NPP Consolidated PL

Unit : Million Baht

	Quarter 3 Year 2017	Quarter 3 Year 2016	%YoY	Quarter 2 Year 2017	%QoQ
Revenue from sales and services	150.4	154.1	(2%)	151.0	(0%)
Revenue from food and beverage sales	150.4	151.4	(1%)	142.0	11%
Total	300.8	305.5	(2%)	293.0	3%
Gross Profit (Loss)	61.4	62.8	(2%)	60.9	1%
Net Profit/(Loss) for the Period	(56.3)	(7.2)	(682%)	(8.2)	(587%)
Net Profit/(Loss) from the period attribute to equity holders of the Company	(53.0)	(4.9)	(982%)	(3.5)	(1,414%)

For the nine-month ended 30 September 2017

NPP Consolidated PL

Unit : Million Baht

	Quarter 3 Year 2017	Quarter 3 Year 2016	Change	%YoY
Revenue from sales and services	457.0	391.3	65.7	17%
Revenue from food and beverage sales	420.3	243.2	177.1	73%
Total	877.3	634.5	242.8	38%
Gross Profit	175.7	118.8	56.9	48%
Net Profit/(Loss) for the Period	(153.3)	(107.9)	(45.4)	(42%)
Net Profit/(Loss) from the period attribute to equity holders of the Company	(138.4)	(87.0)	(51.4)	(59%)

Revenue

Revenue from Sales in Jan - Sep of 2017 was 457.0 MB increased by 65.7 MB or 17% y-o-y due to explain in each business segment summary as follows:

Revenue from sale and service

Plastic Packaging Segment

Revenue from sales of plastic packaging was 343.7 MB, an increase by 45.9 MB or 15.4% y-o-y mainly due to increase sale with the existing customers and new customers expansion.

PET bottle Segment

Revenue from sales of PET bottle was 91.2 MB, an increase by 16.4 MB or 21.9% y-o-y mainly due to sales growth in existing customers and increase sales from new customers.

Space Rental Segment

Revenue from space rental was 22.1 MB, an increase by 5.8 MB or 35.7% y-o-y consisting of revenue from space rental of "The Brio Mall" which plans for site development plan, screens more variety of shops including setting up interesting activities to meet the target group and recognize revenue from space rental since 1 July 2016. Nevertheless, revenue from advertising space rental was 1.17 MB decreased by 6.97 MB or 85.6% y-o-y due to economic slowdown in advertising industry.

Revenue from sales food and beverage

Sales of food and beverage was 420.3 MB can be classified as follows:-

A&W Restaurant: revenue from sales was 147.4 MB, an increase by 36.2 MB or 32.6% y-o-y which has increase in 12 outlets y-o-y.

Miyabi Grills: revenue from sales was 45.0 MB, an increase by 5.7 MB or 14.5% y-o-y due to the Company recognized sales since 1 March 2016 onwards.

Mr. Jones' Orphanage and Brio Mall: revenue from sales 20.7 MB, an increase by 16.3 MB or 370% y-o-y. Due to last year the Company recognized sale for Mr. Jones' Orphanage since 1 September 2016 and for Brio Mall since 1 July 2016.

Processed Food : Revenue from sales was 207.2 MB, an increase by 116.4 MB or 128% y-o-y with highlighting for domestic sales of Ready Meal including sales for processed prawn, frozen fresh-water prawn.

Cost

Cost of sales and service

Cost was 422.5 MB, an increase by 52.4 MB or 14% y-o-y is in alignment with the growth sale trend. The Company can control the cost of materials and labor costs in effectively, which results in an increase in gross profit compared to the same period last year and onwards.

Cost of sales food and beverage

Cost was 279.1 MB, an increase by 133.4 MB or 92% y-o-y is in alignment with the growth sale trend. The Company still try to control the fresh food cost such as shrimp, salmon fish and other materials by select and revised the proper vendor and with product quality.

Expenses

Selling expenses

Selling expenses was 201.4 MB, an increased by 57.4 MB or 40% y-o-y, significant increase mainly including food and beverage business segment. Furthermore, the Company has still trying to manage and control the labor costs, utilities and electricity of restaurants business branch properly and efficiently.

Administrative expenses

Administrative expenses was 129.3 MB, an increased by 19.0 MB or 17% y-o-y as a result of the increase in processed food business which recognized sale since 1 July 2017.

Finance cost

Finance cost was 10.5 MB, an increased by 3.8 MB or 58% y-o-y due to the business combination.

Net Profit/(Loss) for the Period

Loss was 153.3 MB, an increased by 45.4 MB or 42% y-o-y, due to the last year the Company had gain for disposal of assets 16.7 MB and gain on temporary investment 8.0 MB while the current year has no gain on disposal assets and also had loss on temporary investment 8.5 MB.

Please be informed accordingly

Your Sincerely,

(Mr. Nakkil Sung)

Managing Director