

NPP.032/2018

11 May 2018

Subject Management Discussion and Analysis for the quarter 1 year 2018

To The President
 of the Stock Exchange of Thailand

Management's Discussion and Analysis
Consolidated Financial Results for the quarter 1 year 2018

For the quarter ended 31 March 2018

Consolidated Profit & Loss of NPPG (THAILAND) PCL., Unit : Million Baht

	Quarter 1 Year 2018	Quarter 1 Year 2017	Change	%YoY
Revenue from sales and services	158.3	155.5	2.8	1.8%
Revenue from food and beverage sales	127.1	127.9	(0.8)	(0.6%)
Total	285.4	283.4	2	0.7%
Gross Profit	51.5	57.4	(5.9)	(10.3%)
Net Profit/(Loss) for the year	(47.8)	(88.8)	41	46.2%
Net Profit/(Loss) from the period attribute to equity holders of the Company	(45.9)	(81.9)	36	44%

Revenue

Revenue from Sales quarter 1 year 2018 was 285.4 MB increased by 2 MB or 0.7% 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 128.4 MB, an increase by 15.5 MB or 13.8% 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 23.3 MB, an decrease by 12.5 MB or 35% y-o-y mainly due to affect from increase in raw material cost of PET, including to selling price adjustment and its adjustment has difficulty; while this business segment is highly competitive in current economic conditions. Finally, the Company has sales growth slowed down in both existing customers and new customers.

Revenue from sales food and beverage

Sales of food and beverage was 48.6 MB can be classified as follows:-

A&W Restaurant: revenue from sales was 46.5 MB, an increase by 1 MB or 2.3% y-o-y which the outlets increase from 33 outlets in year 2017 to 34 outlets for the quarter 1 year 2018.

Miyabi Grills: there has no revenue from sales with decrease by 100% y-o-y due to the Company recognized sales, As a resulted, the Company has granted franchise business license under "Miyabi" trademark to a third party for managing 3 outlets since 1 September 2017.

Mr.Jones' Orphanage: revenue from sales 1.1 MB, an decrease by 4.9 MB or 81.1% y-o-y. Due to this quarter, the Company has closed all three outlets during February 2018.

Processed Food : Revenue from sales was 78.1 MB, an increase by 20 MB or 34.4% y-o-y. Due to this quarter, the Company has growth shrimp frozen' s purchase order.

Cost

Cost of sales and service

Cost was 140.5 MB, an decrease by 0.05 MB or 0.04% 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 93.5 MB, an increase by 8 MB or 9.4% y-o-y is in alignment with the growth sale trend of processed food business unit.

Expenses

Selling expenses

Selling expenses was 51 MB, an decreased by 15.4 MB or 23.2% y-o-y. Furthermore, the Company can manage and control the labor costs, utilities and electricity of restaurants business branch properly and efficiently.

Finance cost

Finance cost was 2.9 MB, an decreased by 0.8 MB or 22.6% y-o-y due to the subsidiary has decreased in loan principle with a bank.

Net Profit/(Loss) for the period

Loss was 47.8 MB, an decreased by 41 MB or 46.2% y-o-y, due to the last year the Company had gain on temporary investment 32.6 MB, while the current year has loss on temporary investment 16 MB and the remaining decrease of 24.4 MB resulted of efficiency in management.

Please be informed accordingly

Your Sincerely,

(Miss Vachiraporn Aganapanya)

Chief Financial Officer