



May 14, 2018

Subject: Management discussion and analysis of the operating results for the quarter
1/2018

Attn: President
The Stock Exchange of Thailand

Please find the reviewed Financial Statement for the Quarter 1/2018 ending 31 March 2018 which had been reviewed by Certified Auditor and has been approved by the Board of Director.

Food and Drinks Public Company Limited operating result in the Quarter 1/2018 compare to the Quarter 1/2017 and Statement of financial position as at 31 March 2018 compare to as at 31 December 2017 can be summarized the important essence as follows:

Operating Result

Company's Financial Statement in the Quarter 1/2018 has net loss amount to Baht 21.5 million or Baht 1.22 per share compared to the net loss of Baht 9.4 million in the Quarter 1/2017. Our book value per share as at 31 March 2018 stood at 31.97 Baht

Significant changing is as follows:

- 1) Revenue from sale in Baht 148.7 million decreased by Baht 20 million or 11.9% from the quarter 1/2017, mainly due to decrease of export sales and exchange rate.
- 2) Cost of sales decreased by Baht 8.0 million. The decreased of cost of sales due to decrease of sales. The cost of sales to sales by 97.2%. The company has a gross profit of Baht 4.2 million.
- 3) The selling and administration expenses increased by Baht 0.7 million compare to the quarter 1/2017. (quarter 1/2018 was in Baht 26.8 million)
- 4) Financial cost decreased by Baht 0.5 million, mainly due to decrease of interest expense.
- 5) Company record loss sharing in joint-venture by equity method of Baht 1.2 million increased from the quarter 1/2017 by Baht 1.1 million (in Quarter 1/2017 was in Baht 0.1 million).
- 6) The company has corporate income tax income in the quarter 1/2018 of Baht 0.08 million

Statement of Financial Position

Statement of Financial Position as at 31 March 2018, the company has total asset of Baht 922.9 million decreased from last year by Baht 17.9 million, total liabilities in Baht 359.5 million increased from last year by Baht 3.7 million and shareholders' equity of Baht 563.5 million decreased from last year by Baht 21.5 million or 3.8%. The important essence detail of changing in asset, liabilities and shareholders' equity are as follows:

Assets

Cash and cash equivalents decreased by Baht 12.3 million
Trade and other receivables decreased by Baht 1.7 million
Inventory decreased by Baht 0.6 million
Investment in associate increased by Baht 1.2 million
Property, Plant and Equipment decreased by Baht 5.0 million

Liabilities

Short-term loans from financial institutions increased by Baht 2.7 million

Trade and other payables decreased by Baht 0.02 million

Provisions for employee benefit increase by Baht 0.8 million

Shareholders' Equity

Net loss from company's operating result for the three-month period ended 31 March 2018 of Baht 21.5 million.

Cash Flow Statement

Cash Flow Statement for the three-month period ended 31 March 2018, the company has cash and cash equivalent transaction net decrease, decreased from 31 December 2017 in Baht 12.3 million by separate cash flow to each activity as follow :

1. Cash flow from operating activity , net cash used Baht 13.4 million has essence transaction as follows:
 - Loss from operating before changing in operating asset and liability of Baht -12.5 million
 - Trade and other receivables decreased by Baht 1.8 million
 - Inventory increased by Baht -0.2 million
 - Trade and other payable increased by Baht 0.3 million
 - Paid for interest of Baht -2.1 million
2. Cash flow from investing activity, net cash used in Baht 1.0 million has essence transaction as follows:
 - Buy equipment of Baht -1.0 million
3. Cash flow from financing activity, net cash used in Baht 2.1 million has essence transaction as follows:
 - Bank overdraft and short-term loan from Financial institution increased by Baht 2.7 million
 - Repayment of long-term loans of Baht -0.3 million
 - Paid of liability under finance lease agreements of Baht -0.3 million

Please be informed accordingly.

Sincerely yours,

(Ms. Huai Hui, Lee)
Chief Operating Officer