

- Translation -

10 May 2019

Subject: Management's Discussion and Analysis for the Operating Results of the First Quarter of 2019

Attention: The President of the Stock Exchange of Thailand

Exotic Food Public Company Limited (the "Company") would like to submit the financial statements for the first quarter ended March 31<sup>st</sup>, 2019, which have been reviewed by the independent auditor. The Company's net profit increased by 47.01% to Baht 67.67 million from Baht 46.03 million in the comparable quarter of 2018. The clarification of the Company operating results is as follows:

<b>Income Statement (in million Baht)</b>	<b>1Q18</b>	<b>1Q19</b>	<b>%YoY</b>
Revenue from sale of goods	268.16	302.22	12.70%
Cost of sale of goods	(172.39)	(180.81)	4.88%
Gross profit	95.77	121.41	26.77%
Selling expenses	(16.52)	(18.25)	10.47%
Administrative expenses	(29.39)	(32.29)	9.87%
Operating profit	49.86	70.87	42.14%
Investment income	-	0.40	-
Net foreign exchange gain/(loss)	(0.80)	(0.35)	-56.25%
Other income	0.81	0.53	-34.57%
Earnings before interest and taxes	49.87	71.45	43.27%
Finance costs	(0.60)	(0.50)	-16.67%
Profit before income tax expense	49.27	70.95	44.00%
Income tax expense	(3.24)	(3.28)	1.23%
<b>Profit for the period</b>	<b>46.03</b>	<b>67.67</b>	<b>47.01%</b>

### Revenue from Sales

During the 1<sup>st</sup> quarter of 2019, the Company booked the total revenue from sales in the amount of Baht 302.22 million, which resulted in an increase of Baht 34.06 million or 12.70%. Such increase stemmed from an increase in sales volume of sauces and condiments.

	1Q18	1Q19	% YoY
<b>Sales volume (Ton)</b>			
- Euro	623	382	-38.68%
- United States dollar	927	622	-32.90%
- Thailand baht	2,216	2,740	23.65%
<b>Total sales volume (Ton)</b>	<b>3,766</b>	<b>3,744</b>	<b>-0.58%</b>
<b>Average FX</b>			
- THB/EUR	38.36	35.51	-7.43%
- THB/USD	31.33	31.41	0.26%

### Cost of Sales

Cost of sales for the 1<sup>st</sup> quarter of 2019 was Baht 180.81 million which increased in the amount of Baht 8.42 million or 4.88% as compared with the same period of 2018. This increase was in line with revenue from sales.

### Gross Profit Margin

Gross profit margin is equal to 40.17% in the 1<sup>st</sup> quarter of 2019, which increased from 35.71% as compared to the same quarter of 2018. The main cause stemmed from an increase in proportion of revenue from sales of sauces and condiments, a decrease in sugar and garlic prices and an increase in selling price since the 3<sup>rd</sup> quarter of 2018.

### Selling Expenses

Selling expenses for the 1<sup>st</sup> quarter of 2019 were Baht 18.25 million, which increased Baht 1.73 million or 10.47% from the same period of 2018. This increase was in line with an increase in revenue from sales.

### Administrative Expenses

Administrative expenses for the 1<sup>st</sup> quarter of 2019 were Baht 32.29 million, which increased by Baht 2.90 million or 9.87% from the same period of 2018. Such increase stemmed from an increase in staff costs and reclassification of fixed costs at the new factory incurred as a result of lower-than-normal production capacity.

### Net Profit

The Company's net profit for the 1<sup>st</sup> quarter of 2019 was Baht 67.67 million, which increased by 47.01% from Baht 46.03 million recorded in the same quarter of 2018. Such increase stemmed from an increase in revenue from sales and gross profit margin.

Please be informed accordingly.

Sincerely yours,

*-Signed-*

(Mr. Jittiporn Jantarach)  
Managing Director