

8th November 2019.

Subj Management Discussion and Analysis (MD&A) Q3/2019

Dear Managing Director of Stock Exchange of Thailand

We, Patum Rice Mill and Granary Public Company Limited and its subsidiaries, would like to present the Management Discussion and Analysis (MD&A) of Q3/2019 as follows:

Management Discussion and Analysis (MD&A)
Patum Rice Mill and Granary Public Company Limited and its subsidiaries
For the Three-month period and Nine-month period ended 30th September 2019

1. Overall performance

Consolidated financial results of Patum Rice Mill and Granary Public Company Limited and its subsidiaries

for the Three-month period and Nine-month period ended 30th September 2019 are as follows:

Unit: million baht

Detail	for 3-month period ended September				for 9-month period ended September			
	2019	2018	diff	%	2019	2018	diff	%
Total revenues	715	685	29	4%	1,902	1,953	(51)	-3%
Sale revenues	512	469	43	9%	1,482	1,531	(49)	-3%
Service revenues	5	20	(15)	-77%	23	32	(9)	-29%
Dividend income	191	185	6	3%	381	370	11	3%
Total expenses	522	499	23	5%	1,544	1,613	(69)	-4%
Cost of sales	435	385	50	13%	1,281	1,277	4	0%
Cost of service	4	16	(13)	-76%	20	25	(4)	-18%
Selling expenses	52	69	(18)	-25%	150	199	(49)	-25%
Administrative expenses	31	29	2	8%	93	113	(20)	-18%
Profit for the year	189	181	7	4%	344	328	16	5%
Profit (loss) attributable to Equity holders of the Company	189	187	2	1%	345	336	9	3%
Earnings per share (THB/share)	0.31	0.31	0.00	1%	0.58	0.56	0.02	3%

Note: The new financial reporting standards were reflected in company's result of 2019

- Total revenue increased mainly are results of increase in trade of raw material via subsidiary, and therefore.

- Service revenues declined significantly are from closing of restaurant and food court at 5th floor MBK center. However, one subsidiary has already opened new food court at Samyan Mitrtown at end of September 2019.
- Total expenses increase are directly impacted of increase in sales.
- Moreover, increase in administrative expenses in Q3/2019 mainly are from severance package to staffs from both who entered Mutual Separated program and from closing businesses.
- Net profit increase are from, increasing in sales, increase in dividend revenue, costs controlling in raw material, promotional and selling expenses and administration expenses.

Revenue by segment

Unit: million baht

Detail	for 3-month period ended September				for 9-month period ended September			
	2019	2018	diff	%	2019	2018	diff	%
1. Processing and packaging of rice	455	414	41	105	1,308	1,331	(23)	-2%
2. Restaurant and food Center	62	75	(13)	-17%	197	233	(36)	-16%
Less intercompany balance	(0.1)	(0.1)	0	12%	(0.5)	(0.5)	0	-3%
Revenue from sales	517	489	28	6%	1,505	1,564	(59)	-4%

- 2 subsidiaries decided to close restaurant business, therefore, resulting in sales revenue of Restaurant and Food Centre reduce in Q3/2019

2. Financial results of unconsolidated report

Unit: million baht

Detail	for 3-month period ended September				for 9-month period ended September			
	2019	2018	diff	%	2019	2018	diff	%
Total revenues	581	588	(7)	-1%	1,505	1,623	(118)	-7%
Sale revenues	394	400	(6)	-1%	1,118	1,255	(137)	-11%
Dividend income	180	175	5	3%	371	351	20	6%
Total expenses	394	409	(15)	-4%	1,136	1,321	(184)	-14%
Cost of sales	333	334	(1)	0%	964	1,065	(101)	-10%
Selling expenses	41	57	(16)	-28%	107	155	(48)	-31%
Administrative expenses	21	19	2	10%	62	81	(19)	-23%
Allowance for investment in subsidiary	-	-	0	0%	3	19	(17)	-87%
Profit for the year	179	172	7	4%	345	283	62	22%
Earnings per share (THB/share)	0.30	0.29	0.01	4%	0.57	0.47	0.47	22%

Note: The new financial reporting standards were reflected in company's results of 2019

- Total revenue in Q3/2019 decreased slightly because there was no income of sales in G to G channel. However, there are increase in sales of fragrant rice.
- Considering accumulated sales, the sale value declined, because of decrease significantly of sales in G to G channel.

3. Financial status analysis

Unit: million baht

Detail	2019	2018	diff	%
Total assets	12,506	11,823	683	6%
Trade and other receivable	200	334	(135)	-40%
Inventories	277	540	(263)	-49%
Accrued dividend income	190	-	190	-
Investment in parent company available-for-sale security	11,133	10,235	899	9%
Investment properties	80	61	19	31%
Property, plant and equipment	210	218	(8)	-4%
Prepaid rental fee	305	322	(17)	-5%
Other non-current assets	10	8	2	30%
Total Liabilities	2,839	3,037	(197)	-7%
Bank overdrafts and short-term loans from banks	600	956	(356)	-37%
Trade and other payables	167	184	(18)	-9%
Other current liabilities	18	24	(6)	-25%
Provision for long-term employee benefits	24	19	5	26%
Deferred tax liabilities	2,018	1,839	179	10%
Other non-current liabilities	9	11	(1)	-13%
Total shareholders' equity	9,667	8,786	881	10%

- Increase in total assets are mainly from increasing in value of investment in parent company.
- Declining in account receivable and lower stock policy -- to be in lined with market condition – are main reasons of lower in Bank overdraft and short-term loan from financial institution account.

- One subsidiary has already developed in investment asset of 76 rai at Bang Ka-di provincial area, thus, investment properties.
- Closing restaurant business are result in declining in Property, plant and equipment.

Please be informed accordingly

Kindly Regards

(Mr. Somkiat Makcayathorn)

Managing Director

Patum Rice Mill and Granary Public Company Limited