



May 14, 2019

Subject: Management discussion and analysis of the operating results for the quarter  
1/2019

Attn: President  
The Stock Exchange of Thailand

Please find the reviewed Financial Statement for the Quarter 1/2019 ending 31 March 2019 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 1/2019 compare to the Quarter 1/2018 and Statement of financial position as at 31 March 2019 compare to as at 31 December 2018 can be summarized the important essence as follows:

#### Operating Result

Company's Financial Statement in the Quarter 1/2019 has net loss amount to Baht 6.21 million or Baht 0.35 per share compared to the net loss of Baht 21.55 million in the Quarter 1/2018. Our book value per share as at 31 March 2019 stood at 59.42 Baht.

Significant changing is as follows:

- 1) Revenue from sale in Baht 183.97 million increased by Baht 35.26 million or 23.71% from 2018, mainly due to increase of export sales and local sales.
- 2) Cost of sales decreased by Baht 16.82 million due to sales amount increase from selling price increasing and new local customers. Cost of sales ratio at 87.70% (2018 : at 97.19%) which effected to the company has a gross profit of Baht 22.62 million increasing from last year 441.95%.
- 3) Selling expenses increasing from last year amounting of Baht 5.87 million or 37.17% due to local transportation charge. Selling expenses for Q1/2019 amounting of Baht 21.66 million. (2018 : amounting of Baht 15.79 million).
- 4) The administration expenses amounting to Baht 11.27 million or 1.89%, increased by Baht 0.21 million from last year. (2018 : amounting of Baht 11.06 million).
- 5) Company record profit sharing in joint-venture by equity method of Baht 3.63 million increased from last year by Baht 2.44 million (2018 : profit amounting of Baht 1.19 million).
- 6) Fair value adjustment for land – net of income tax amounting of Baht 479.52 million.

## Statement of Financial Position

Statement of Financial Position as at 31 March 2019, the company has total asset of Baht 1,545.43 million increased from last year by Baht 602.21 million, total liabilities in Baht 498.14 million increased from last year by Baht 128.89 million and shareholders' equity of Baht 1,047.29 million increased from last year by Baht 473.32 million or 82.46%. The important essence detail of changing in asset, liabilities and shareholders' equity are as follows:

### Assets

Cash and cash equivalent decrease by	Baht (9.23) million
Trade and other receivable decrease by	Baht (26.23) million
Inventories increase by	Baht 6.55 million
Other current assets increase by	Baht 8.96 million
Investment in associate increase by	Baht 3.63 million
Property, plant and equipment increase by	Baht 618.45 million

### Liabilities

Bank overdrafts and short-term loans	
from financial institutions decrease by	Baht (6.48) million
Trade and other payable increase by	Baht 15.44 million
Deferred income tax liabilities increase by	Baht 119.92 million
Employee benefit obligations increase by	Baht 2.90 million

### Shareholders' Equity

Net operating loss for the period Q1/2019	Baht (6.21) million
Revaluation surplus on land increase by	Baht 479.52 million

## Cash Flow Statement

Cash Flow Statement for the period ended 31 March 2019, the company has cash and cash equivalent transaction net decreased from 31 December 2018 in Baht 9.23 million by separate cash flow to each activity as follows:

- Cash flow from operating activity , net cash received Baht 22.21 million has essence transaction as follows:
  - Operating cash flow before changing in operating asset and liability Baht (0.90) million
  - Trade and other receivable decrease by Baht 26.49 million
  - Inventories increase by Baht (7.00) million
  - Other current assets increase by Baht (8.87) million
  - Trade and other payable increase by Baht 15.27 million
  - Paid for financial cost Baht (1.98) million

2. Cash flow from investing activity, net cash used in Baht 24.68 million has essence transaction as follows:
  - Purchase for building and equipment Baht (25.10) million
3. Cash flow from financing activity, net cash used in Baht 6.76 million has essence transaction as follows:
  - Bank overdrafts and short-term loans  
from financial institutions increase by Baht 6.43 million

Please be informed accordingly.

Sincerely yours,

(Ms. Huai Hui, Lee)  
Chief Operating Officer