



November 13, 2019

Subject: Management discussion and analysis of the operating results for the quarter
3/2019

Attn: President
The Stock Exchange of Thailand

Please find the reviewed Financial Statement for the Quarter 3/2019 ending 30 September 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 3/2019 compare to the Quarter 3/2018 and Statement of financial position as at 30 September 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 3/2019 has net profit amount to Baht 10.85 million or Baht 0.62 per share (2018 : at Baht 1.25 per share) compared to the net profit of Baht 21.99 million in the Quarter 3/2018. Our book value per share as at 30 September 2019 stood at 60.01 Baht. (as at 30 September 2018 : at 32.80 Baht)

Significant changing is as follows:

- 1) Revenue from sale in Baht 204.72 million decreased by Baht 27.89 million or 11.99% from 2018, mainly due to decrease of export sales decreased by Baht 23.73 million and local sales decreased by Baht 4.16 million.
- 2) Cost of sales decrease by Baht 7.05 million related with Sales decreased. Cost of sales ratio at 85.63% (2018 : at 78.40%) which effected to the company has a gross profit of Baht 29.41 million decreasing from last year 41.48%.
- 3) Selling expenses decreasing from last year amounting of Baht 3.66 million or 17.90% due to local transportation charge and local selling promotion decreased. Selling expenses for Q3/2019 amounting of Baht 16.79 million. (2018 : amounting of Baht 20.45 million).
- 4) The administration expenses amounting to Baht 9.49 million or 8.58%, decreased by Baht 0.89 million from last year. (2018 : amounting of Baht 10.38 million).
- 5) Company record profit sharing in joint-venture by equity method of Baht 3.18 million increased from last year by Baht 2.07 million (2018 : profit amounting of Baht 1.11 million).

Statement of Financial Position

Statement of Financial Position as at 30 September 2019, the company has total asset of Baht 1,545.42 million increased from last year by Baht 602.19 million, total liabilities in Baht 487.76 million increased from last year by Baht 118.51 million and shareholders' equity of Baht 1,057.66 million increased from last year by Baht 483.68 million or 84.27%. The important essence detail of changing in asset, liabilities and shareholders' equity are as follows:

Assets

Cash and cash equivalent decrease by	Baht (10.64) million
Trade and other receivable decrease by	Baht (13.17) million
Inventories increase by	Baht 4.61 million
Other current assets decrease by	Baht (22.69) million
Investment in associate decrease by	Baht (4.17) million
Investment properties increase by	Baht 98.21 million
Property, plant and equipment increase by	Baht 552.07 million

Liabilities

Bank overdrafts and short-term loans	
from financial institutions decrease by	Baht (49.63) million
Current portion of long-term loan	
from financial institution increase by	Baht 4.59 million
Deferred income tax liabilities increase by	Baht 117.95 million
Long-term loan	
from financial institutions increase by	Baht 34.51 million
Employee benefit obligations increase by	Baht 10.03 million

Shareholders' Equity

Net operating profit for the period Q3/2019	Baht 6.21 million
Revaluation surplus on land increase by	Baht 479.52 million

Cash Flow Statement

Cash Flow Statement for the nine months period ended 30 September 2019, the company has cash and cash equivalent transaction net decreased from 31 December 2018 in Baht 10.64 million by separate cash flow to each activity as follows:

1. Cash flow from operating activity , net cash received Baht 51.99 million has essence transaction as follows:

- Operating cash flow before changing in operating asset and liability	Baht	28.17	million
- Trade and other receivable decrease by	Baht	13.89	million
- Inventories increase by	Baht	(4.61)	million
- Other current assets decrease by	Baht	23.07	million
- Paid for financial cost	Baht	(7.46)	million

2. Cash flow from investing activity, net cash used in Baht 52.01 million has essence transaction as follows:

- Purchase for building and equipment	Baht	(51.17)	million
- Dividend income from associate	Baht	13.64	million
- Proceeds from sale of property, plant and equipment	Baht	2.08	million
- Cash paid for payable from purchase of building improvement and equipment	Baht	(16.74)	million

3. Cash flow from financing activity, net cash used in Baht 10.63 million has essence transaction as follows:

- Bank overdrafts and short-term loans from financial institutions decrease by	Baht	(49.63)	million
- Long-term loan from financial institutions increase by	Baht	40.00	million

Please be informed accordingly.

Sincerely yours,

(Ms. Huai Hui, Lee)
Chief Operating Officer