

GLOCON.009/2020

February 25th, 2020

Subject Management's analysis for the year 2019

Attn. The President

The Stock Exchange of Thailand

Management's analysis

Consolidated Financial Results for The Year 2019

For the year ended December 31st, 2019

Consolidated Profit & Loss of Global Consumer Public Company Limited

Unit: Million Baht

	Y 2019	Y 2018	Change	%YoY
Revenues from Sale and Services	592.7	629.5	(36.8)	(5.8%)
Revenues from Sale of Food & Beverage	579.1	533.1	46.0	8.6%
Total revenue	1,171.8	1,162.6	9.2	0.8%
Gross Profit	266.0	228.0	38.0	16.7%
Profit (Loss) from the operation	(32.7)	(203.8)	171.1	84.0%
Gain (Loss) from temporary investment	(15.7)	(75.2)	59.5	79.1%
Profit (Loss) for the year	(48.4)	(279.0)	230.6	82.6%
Net Profit/(Loss) from the year attribute to equity holders of the Company	(59.7)	(280.9)	221.2	78.67%

Revenue and Profit

Sales revenue year 2019 amounts to Baht 1,171.8 Million, Increased by 9.2 Million Baht or 0.8% compared to the previous year and loss for the year 2019 amounts to Baht 48.4 Million, decreased by 230.6 million baht or 82.6% by comprising of loss from the operation Baht 32.7 Million with mostly loss from Quick Service Restaurant unit and loss from temporary investment Baht 15.7 Million with below describe:

Revenues from Sale of Goods and Rendering of Services

Flexible Packaging Unit:

Revenue amounts to 403.7 Million Baht, increased by 33.1 Million Baht or 8.9% compared to the previous year, which contributes 35% of total revenue as the Company has improved customer portfolio by focus more on high margin SKUs which results in better net Profit.

PET Bottle Unit:

Revenue amounts to 52.8 Million Baht, decreased by 31.5 Million Baht or 37.4% compared to the previous year, which contributes 5% of total revenue due to the Company's strategy in selecting the customer with gross margin.

Vacuum Forming:

Revenue amounts to 128.0 Million Baht, decreased by 37.4 Million Baht or 22.6% compared to the previous year, which contributes 11% of total revenue as this year has new strategy to move away from plastic to biodegradable.

Revenues from Sale of Food & Beverage

Processed Food Unit:

Revenue amounts to 388.4 Million Baht, increased by 61.6 Million Baht or 18.8% compared to the previous year, which contributes 33% of total revenue due to higher order volume and more variety of frozen ready meal product supplied to largest convenience store chain in Thailand, total revenue about 240 Million Baht. Moreover, higher volume of frozen shrimp, ready meal products for both domestic and export markets together with a frozen fish for export market which is a new product that began operating since May, 2018.

Food & Beverage Unit:

Revenue amounts to 190.7 Million Baht, which contributes 16% of total revenue, categorized by brand as follows;

A&W restaurant:

Revenue amounts to 151.2 Million Baht, decreased by 41.0 Million Baht or 21.3% compared to the previous year due to comply with the policy to reduction of unprofitable stores. Furthermore, company develop a new strategy in expanding new stores in a small size format with largest convenience store chain in Thailand by selecting locations in a high density of community and nearby educational institutes, and start an operation of the first store from December 2019, and will continue an expansion plan in 2020.

Kitchen Plus restaurant:

Revenue amounts to 35.9 Million Baht, increased by 25.5 Million Baht or 245.2% compared to the previous year as revenue recognition began in the 4th quarter of 2018.

Costs

Cost of Goods and Services

Costs of goods and services amounts to 500.1 Million Baht, decreased by 57.7 Million Baht or 10.3% compared to the previous year as the Company was able to manage raw material and labor cost more efficiently, resulting in higher gross margin.

Cost of Food & Beverage

Costs of food and beverage amounts to 405.7 Million Baht, increased by 28.9 Million Baht or 7.7% compared to the previous year due to sales growth in the unit. As for processed food, production re-evaluation leads to better raw material cost, packing cost and yield management.

Other income

Other income amounts to 27.2 Million Baht, increased by 4.9 Million Baht or 22.0 % compared to the previous year due to the Company has recognized the franchise fees of Kitchen Plus brand which began in the 4th quarter of 2018.

Expenses**Selling Expense**

Selling expenses amounts to 192.0 Million Baht, decreased by 15.5 Million Baht or 7.5% compared to the previous year due to the selling expense of A&W brand decreased as comply with the policy to reduction of unprofitable stores and the selling expense of Kitchen Plus brand increased as began in the 4th quarter of 2018.

Administrative Expense

Administrative expenses amounts to 157.6 Million Baht, decreased by 55.2 Million Baht or 25.9% compared to the previous year due to the Group company has reorganized the structure to be more flexible and to increase ability and efficiency in business competition.

Loss on temporary investment

Loss on temporary investment amounts to 15.7 Million Baht, decreased by 59.5 Million Baht or 79.1% compared to the previous year due to decrease in market price with effect of economics. As well as, the Company has sold the temporary investment since the beginning of year 2019 as comply with Company's policy. At the present, there has no temporary investment.

Discontinued operation

Gain from Discontinued operation amounts to 20.9 Million Baht, increased by 43.7 Million Baht or 191.7% compared to the previous year due to reversal of payable to recognize in other income of amount 22.5 Million Baht.

Financial Expense

Financial expenses amounts to 7.5 Million Baht, decreased by 3.3 Million Baht or 30.6% compared to the previous year due to reduce of loan to a subsidiary.

Events after reporting period

At the Board of Directors' Meeting No. 1/2020 held on 13 January 2020, boards has a resolution to approve the Company to the acquisition of Dried Fruit business from Vita Food Factory (1989) Company Limited with Fruity Dry Company Limited ("FD") as its operator to increase the revenue and high gross margin from export dry fruit with the mainly oversea customers and recognize the revenue during the year 2020, along with the investment in FD's new ordinary shares equaled to 51 percent of the registered and paid-up capital.

Please be informed accordingly

Yours Faithfully

(Mr. Chirdsak Kukiattinun)

Executive Chairman