

(Translation)

Ref. MD.005/2020

28th February 2020

Subj Management Discussion and Analysis (MD&A) of 2019 (Edit)

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 2019 as follows:

Management Discussion and Analysis (MD&A)

Patum Rice Mill and Granary Public Company Limited and its subsidiaries

For the Twelfth-month period ended 31st December 2019

1. Overall performance

Consolidated financial results of Patum Rice Mill and Granary Public Company Limited and its subsidiaries for the twelfth-month period ended 31st December 2019 are as follows:

Unit: million baht

Detail	for 12-month period ended December			
	2019	2018	diff	%
Total revenues	2,375	2,590	(215)	-8%
Sale revenues	1,942	2,150	(208)	-10%
Service revenues	31	46	(15)	-33%
Dividend revenues	381	370	11	3%
Total expenses	2,008	2,262	(254)	-11%
Cost of sales	1,677	1,789	(112)	-6%
Cost of service	25	37	(12)	-32%
Selling expenses	189	291	(102)	-35%
Administrative expenses	117	145	(28)	-20%
Profit for the year	352	314	38	12%
Profit (loss) attributable to Equity holders of the Company	353	322	31	10%
Earnings per share (THB/share)	0.59	0.54	0.05	10%

Consolidated financial results of 12-month ended period

- Declining in sales revenue of 2019 8%, mainly are from declining in G-G contract and closing restaurant business in Q3/2019.
- However, company can secure bottom line with net profit 2019 increase of 12%, mainly are from
 - Business adjustment on rice business by focusing on mix fragrance rice and focusing on food court business with new branch opened and close all non-performed restaurant business in Q3/2019
 - The company adjusted sale promotion program on sales related scheme and decrease some indirect to sales.
 - Head office relocation reduced some company's administrative expenses.

Unconsolidated financial results of 12-month ended period

Unit: million baht

Detail	for 12-month period ended December			
	2019	2018	diff	%
Total revenues	1,884	2,175	(291)	-13%
Sale revenues	1,484	1,783	(299)	-17%
Dividend revenues	371	369	2	1%
Total expenses	1,504	1,864	(360)	-19%
Cost of sales	1,282	1,509	(227)	-15%
Selling expenses	139	233	(94)	-40%
Administrative expenses	80	102	(22)	-22%
Allowance for investment in subsidiary	3	19	(16)	-87%
Profit for the year	351	286	65	22%
Earnings per share (THB/share)	0.58	0.48	0.10	22%

2. Financial performance by segment.

2.1 Revenue by segment

Unit: million baht

Detail	for 12-month period ended December			
	2019	2018	diff	%
1. Processing and packaging of rice	1,696	1,887	(191)	-10%
2. Food Center	277	309	(32)	-11%
Less intercompany balance	-	-	-	-
Revenue from sales	1,973	2,196	(223)	-10%

2.2 Net profit by segment

Unit: million baht

Detail	for 12-month period ended December			
	2019	2018	diff	%
1. Processing and packaging of rice	(4)	(36)	32	89%
2. Food Center	(11)	(14)	3	20%
Less intercompany balance	0.08	0.10	(0.02)	-21%
Net profit by segment	(16)	(50)	34	69%

Note: Net profit by segment are excluded dividend received of 334M THB

3. Financial status analysis

Unit: million baht

Detail	2019	2018	diff	%
Total assets	11,741	11,823	(82)	-1%
Trade and other receivable	198	334	(136)	-41%
Inventories	291	540	(249)	-46%
Other current assets	24	24	0	0%
Total Liabilities	2,725	3,037	(312)	-10%
Bank overdrafts and short-term loans from banks	687	956	(269)	-28%
Trade and other payables	87	184	(97)	-53%
Other current liabilities	22	24	(2)	-9%
Total shareholders' equity	9,016	8,786	230	3%

- Decrease in account receivable mainly are from declining significantly in G to G business.
- Declining in bank OD and short-term loan and account payable is a result of adjustment in company's working capital.

Please be informed accordingly

Kindly Regards

- *Signature* -

(Mr. Somkiat Makcayathorn)

Managing Director

Patum Rice Mill and Granary Public Company Limited