

July 16, 2020

Subject: Management discussion and analysis of the operating results for the quarter 1/2020 and approve appointment of the auditors of the company for the year 2020 (Revise)

Attn: President  
The Stock Exchange of Thailand

Please find the reviewed Financial Statement for the Quarter 1/2020 ending 31 March 2020 which had been reviewed by Certified Auditor and has been approved by the Board of Director.

Board of Directors' meeting No. 2/2020 held on February 27, 2020 has resolved to appoint Mr. Pornchai Kittipanya-Ngam, Auditor license no. 2778 or Mrs. Suwanee Kittipanya-Ngam Auditor license no. 2899 or Mr. Thanakorn Fakfaipol, Auditor license no. 4879 from Bunchikij Co., Ltd. to audit and give opinion on the financial statements for the year 2020.

Food and Drinks Public Company Limited operating result in the Quarter 1/2020 compare to the Quarter 1/2019 and Statement of financial position as at 31 March 2020 compare to as at 31 December 2019 can be summarized the important essence as follows:

#### Operating Result

Company's Financial Statement in the Quarter 1/2020 has net loss amount to Baht 4.65 million or Baht 0.26 per share (2019 : net loss at Baht 0.35 per share) which net loss decreased by Baht 1.56 million compared to the net loss of Baht 6.21 million in the Quarter 1/2019. Our book value per share as at 31 March 2020 stood at 59.37 Baht. (as at 31 March 2019 : at 59.42 Baht)

Significant changing is as follows:

- 1) Revenue from sale in Baht 162.17 million decreased by Baht 21.80 million or 11.85%. (2019 : amounting of Baht 183.97 million).
- 2) Cost of sales decreased by Baht 18.03 million due to sales amount decreased. Cost of sales ratio at 88.37% (2019 : at 87.70%) which effected to the company has a gross profit of Baht 18.86 million decreasing from last year 16.63%.
- 3) Other income increased by Baht 4.95 million due to rental and service income increase Baht 2.83 million, other income increase Baht 2.12 million.
- 4) Selling expenses decrease amounting of Baht 3.87 million or 17.87% due to transportation charge decreased Baht 4.05 million.
- 5) The administration expenses amounting to Baht 14.46 million, increased by Baht 3.19 million or 28.33% from last year. (2019 : amounting of Baht 11.27 million).
- 6) Company record profit sharing in joint-venture by equity method of Baht 3.17 million decrease from last year by Baht 0.47 million (2019 : gain amounting of Baht 3.63 million).

### Statement of Financial Position

Statement of Financial Position as at 31 March 2020, the company has total asset of Baht 1,527.61 million increased from last year by Baht 7.65 million, total liabilities in Baht 481.30 million increased from last year by Baht 14.19 million and shareholders' equity of Baht 1,046.31 million decreased from last year by Baht 6.54 million or 0.62%. The important essence detail of changing in asset, liabilities and shareholders' equity are as follows:

#### Assets

Cash and cash equivalent increase by	Baht	5.61 million
Trade and other receivable increase by	Baht	3.40 million
Inventories decrease by	Baht	(2.46) million
Investment in associate increase by	Baht	3.21 million
Property, plant and equipment decrease by	Baht	(5.07) million
Cost of rubber plantation increase by	Baht	1.14 million
Intangible asset increase by	Baht	2.43 million

#### Liabilities

Bank overdrafts and short-term loans		
from financial institutions increase by	Baht	9.40 million
Other current financial liabilities increase by	Baht	1.27 million
Employee benefit obligations increase by	Baht	3.08 million

#### Shareholders' Equity

Net operating loss for the Quarter 1 /2020	Baht	(6.54) million
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### Cash Flow Statement

Cash Flow Statement for the nine months period ended 31 March 2020, the company has cash and cash equivalent transaction net increased from 31 December 2019 in Baht 5.61 million by separate cash flow to each activity as follows:

1. Cash flow from operating activity , net cash used Baht 0.84 million has essence transaction as follows:
  - Operating cash flow before changing  
in operating asset and liability Baht 1.67 million
  - Trade and other receivable increase by Baht (3.05) million
  - Inventories decrease by Baht 2.85 million
  - Trade and other payable decrease by Baht (1.07) million
  - Paid for financial cost Baht (1.89) million
2. Cash flow from investing activity, net cash used in Baht 2.68 million has essence transaction as follows:
  - Acquisition of property, plant  
and equipment Baht (0.83) million
  - Acquisition of intangible assets Baht (0.71) million
  - Cost of rubber plantation Baht (1.14) million
3. Cash flow from financing activity, net cash received in Baht 9.13 million has essence transaction as follows:
  - Bank overdrafts and short-term loans  
from financial institutions increase by Baht 9.40 million

Please be informed accordingly.

Sincerely yours,

(Ms. Huai Hui, Lee)  
Chief Operating Officer