



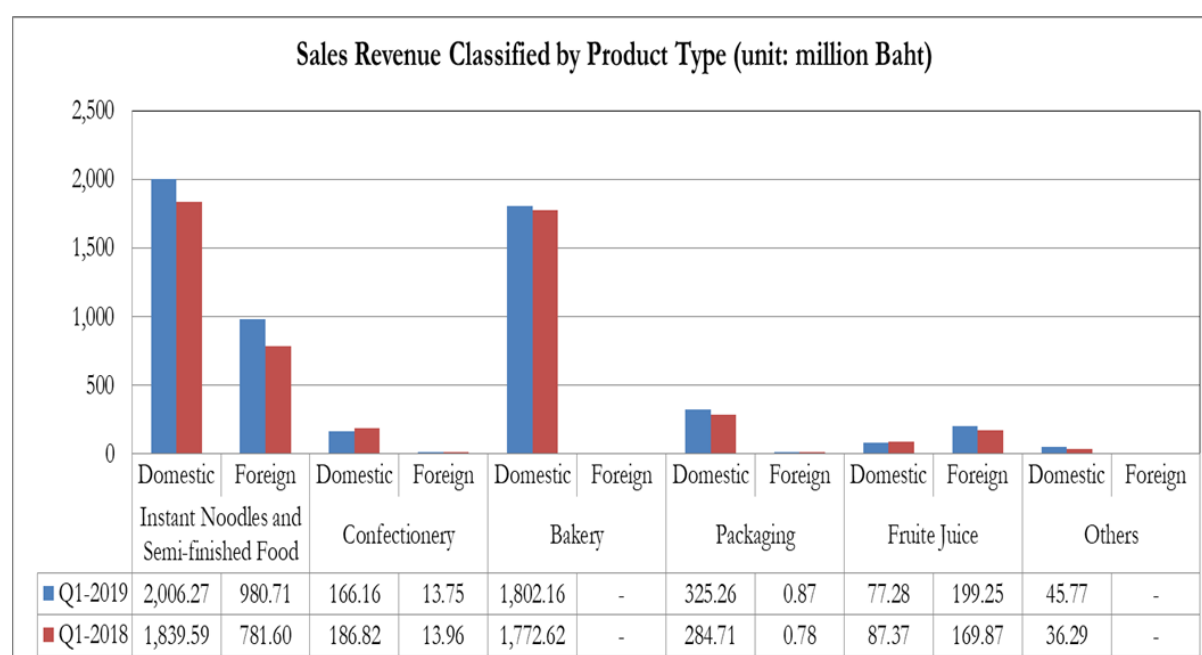
Management Discussion and Analysis For the three-month periods ended 31 March 2019

1. Performance Results

1.1 Sales

The company recorded the total sales of Baht 5,617.48 million and Baht 5,173.62 million in Q1/2019 and Q1/2018 respectively, or increasing by 8.58%.

When classified by products and regions in Q1/2019, the domestic sales increased by 5.12% due to the total instant noodle market growth together with the new products launched, while the foreign market sales jump by 23.64% which resulted from the economic was picking up and our products gained more acceptance from consumers. In term of market distribution, the composition of each exporting market was expanded in every region except the Australia. In particular, Asia market earned fastest growth and still was the biggest exporting region of the Company.



1.2 Cost of Sales

The cost of sales of the Company amounted to Baht 3,653.53 million in Q1/2019, increasing by Baht 276.91 million or 8.20% from the previous year, mainly due to lower raw material and packaging cost in accordance with less sales volume. Thus, the cost of sales to total sales revenues ratio was at 65.04%, lower than that in the previous year which stood at 65.27% resulted from the price of raw material dropped.



1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q1/2019 totaled to Baht 907.98 million, increasing by Baht 16.25 million or 1.82% from a year earlier. The increase in our selling and administrative expenses resulted from higher employee expense in accordance with higher number of employees and salary base. Together with higher exporting expense due to exporting volume expansion and higher marketing and advertising expense.

1.4 Net Profit

The Company recorded net profit of Baht 865.66 million in Q1/2019, increasing by Baht 176.22 million or 25.56% from the previous year. The profit margin of the company stood at 14.92 % of total revenue (included the share of profit from investments in associates and joint venture), mainly due to increasing sales volume, while the company could manage its cost to stay at low level.

2. Financial Position

2.1 Assets

The total assets of the Company as of March 31, 2019 amounted to Baht 31,873.64 million, increasing by Baht 1,032.07 million or 3.35% from the end of last year. The structure of assets of the Company consisted of the fixed assets of Baht 17,755.06 million, accounting for 55.70% of total assets, and the current assets of Baht 14,118.58 million, accounting for 44.30% of total assets. Our asset mainly increased from increasing amount of the short term investment item which mostly are the bank fix deposit.

2.2 Liabilities

Total liability if the Company stood at Baht 3,914.82 million as of March 31, 2019, decreasing by Baht 103.80 million from the end of last year. Our liability was decreasing from lower outstanding of accrued bonus. Most of liability of the company was current liability, while the long-term liability was accounted for 25.99% of total liability. Additionally, debt to equity ratio of the Company was at 0.18

2.3 Shareholders' Equity

The shareholders' equity of the Company as of March 31, 2019 amounted to Baht 27,958.82 million, increasing by Baht 1,135.86 million or 4.23% from the end of 2018, resulting from the net profit of this quarter.



3. Liquidity Position

The balance of operation activities cash inflow in Q1/2019 totaled to Baht 954.24 million. Meanwhile the cash outflow from investment and financing activities amounted to Baht 1,512.42 million and Baht 16.77 million respectively. The Company, as of March 31, 2019, recorded cash and cash equivalents item of Baht 3,294.08 million, decreasing by Baht 582.01 million from the end of 2018. Such decrease mainly resulted from short term investment and buying more production machinery.