

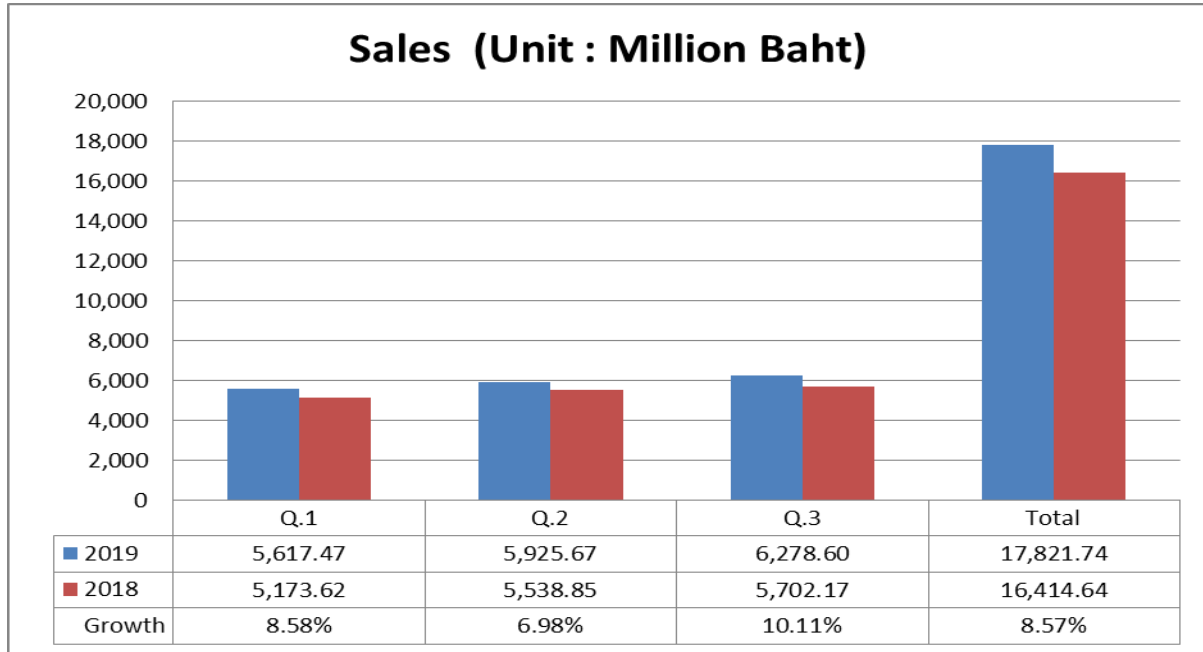


Management Discussion and Analysis

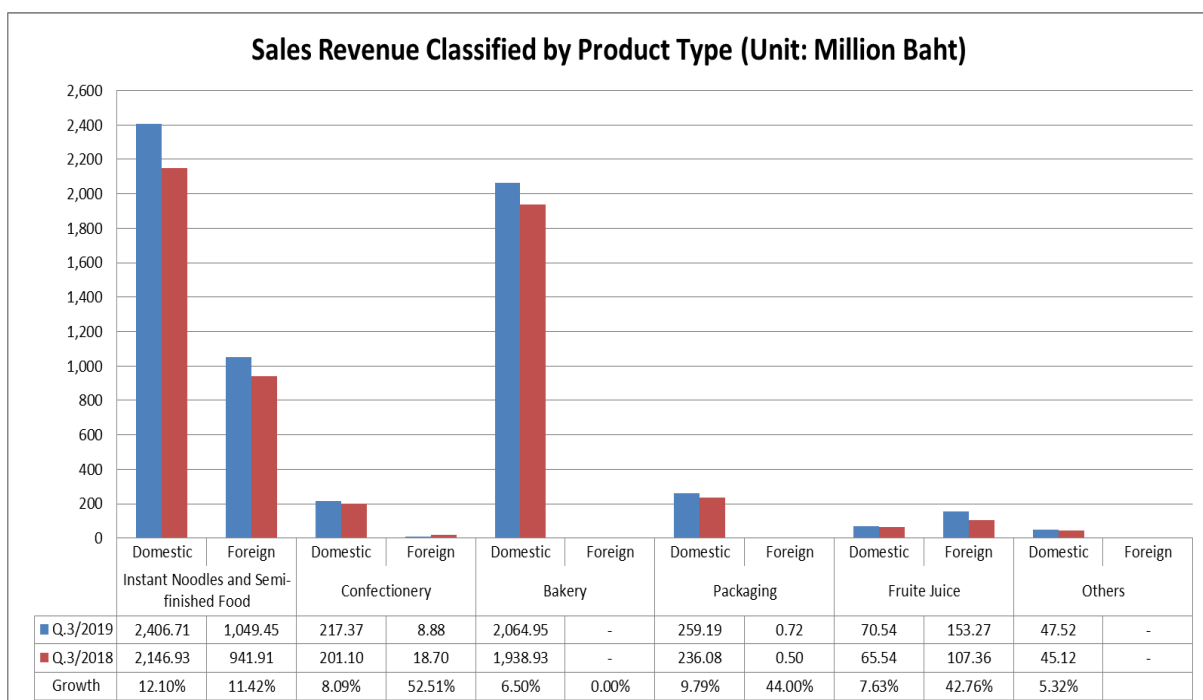
For the three-month and nine-month periods ended 30 September 2019

1. Performance Results

1.1 Sales



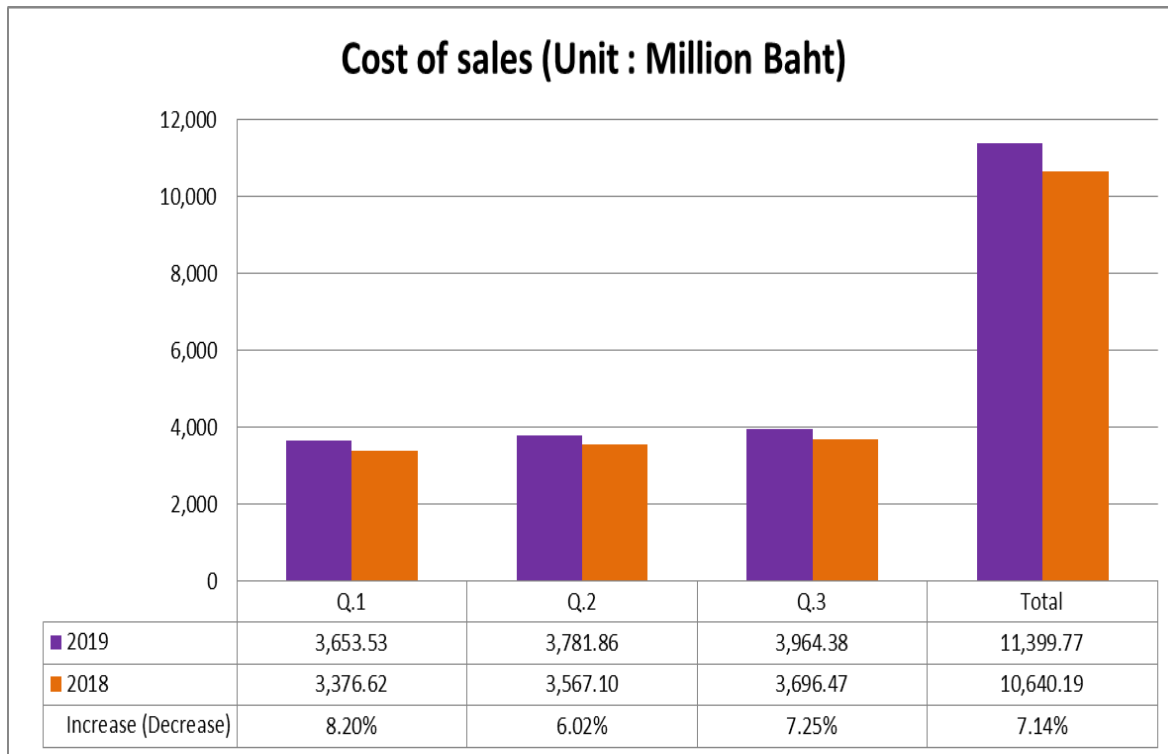
The company recorded the total sales of Baht 6,278.60 million and Baht 5,702.17 million in Q3/2019 and Q3/2018 respectively, or increasing by 10.11%. Additionally, the total sales in 9M/2019 stood at Baht 17,821.74 million, increasing by Baht 1,407.10 million or 8.57% from the same period last year.





When classified by products and regions in Q3/2019, the domestic sales increased by 9.34% due to the company launched a co-promotion campaign with PTT Pcl., together with the effect from the Economic stimulus package. In the meantime, the foreign market sales jumped by 13.46% In particular, Asia market could earn the fastest growth which resulted from the continuous marketing activities and received good responses from the local consumers.

1.2 Cost of Sales

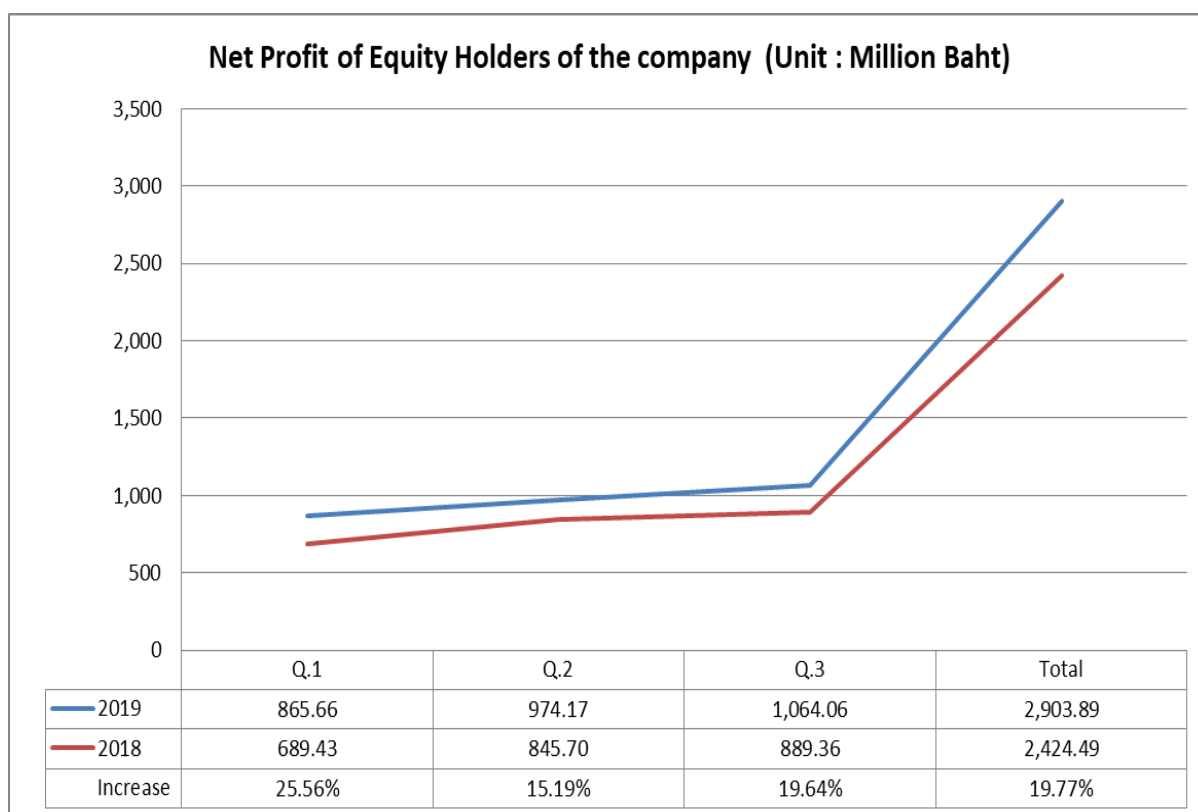


The cost of sales of the Company amounted to Baht 3,964.38 million in Q3/2019, increasing by Baht 267.91 million or 7.25% from the previous year, mainly due to higher raw material and packaging cost in accordance with sales volume. Thus, the cost of sales to total sales revenues ratio was at 63.97% in 9M/2019, lower than that in the previous year which stood at 64.83% resulted from the price of raw material, palm oil, dropped.

1.3 Selling and Administrative Expenses

The selling and administrative expenses in Q3/2019 totaled to Baht 936.58 million, increasing by Baht 66.05 million or 7.59% from a year earlier. The increase in our selling and administrative expenses resulted from higher employee benefit provision which comply to the Labor Protection Act (Issue 7) BE. 2562 However the selling and administrative expenses to the total revenues ratio was at 16.17% in 9M/2019, decreasing 0.12% compared with the ratio of last year.

1.4 Net Profit



The Company recorded net profit of Baht 1,064.06 million in Q3/2019, increasing by Baht 174.70 million or 19.64% from the previous year. The profit margin of the company stood at 16.38 % of total revenue (plus Share of profit from investments in associates), mainly because of increasing sales volume, while the company could manage its cost to stay at low level. The Company gained net profit of Baht 2,903.89 million in 9M/2019, increasing by Baht 479.39 million or 19.77% from the previous year.

2. Financial Position

2.1 Assets

The total assets of the Company as of September 30, 2019 amounted to Baht 33,713.90 million, increasing by Baht 2,872.33 million or 9.31% from the end of last year. The structure of assets of the Company consisted of the fixed assets of Baht 18,970.81 million, accounting for 56.27% of total assets, and the current assets of Baht 14,743.10 million, accounting for 43.73% 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 4,931.39 million as of September 30, 2019, increasing by Baht 912.77 million from the end of last year, mainly due to the accrued dividend of Baht 745.13 million which was scheduled to be paid on October 17, 2019. Most of liability of the company was current liability, while the long-term liability was accounted for 23.11% of total liability. Additionally, debt to equity ratio of the Company was at 0.17

2.3 Shareholders' Equity

The shareholders' equity of the Company as of September 30, 2019 amounted to Baht 28,782.51 million, increasing by Baht 1,959.55 million or 7.31% from the end of 2018, resulting from the net profit of this quarter.

3. Liquidity Position

The balance of operation activities cash inflow in 9M/2019 totaled to Baht 3,765.22 million. Meanwhile the cash outflow from investment and financing activities amounted to Baht 2,924.58 million and Baht 742.17 million respectively. The Company, as of September 30, 2019, recorded cash and cash equivalents item of Baht 3,942.01 million, increasing by Baht 65.92 million from the beginning period. Such increase mainly resulted from higher net income while the net outflow was paid for investment in the Saha Capital Co. Ltd. and interim dividend paid.

Please kindly be informed accordingly

Your sincerely,

(Miss Sararath Tangsirimongkol)

Accounting Manager and Company Secretary