



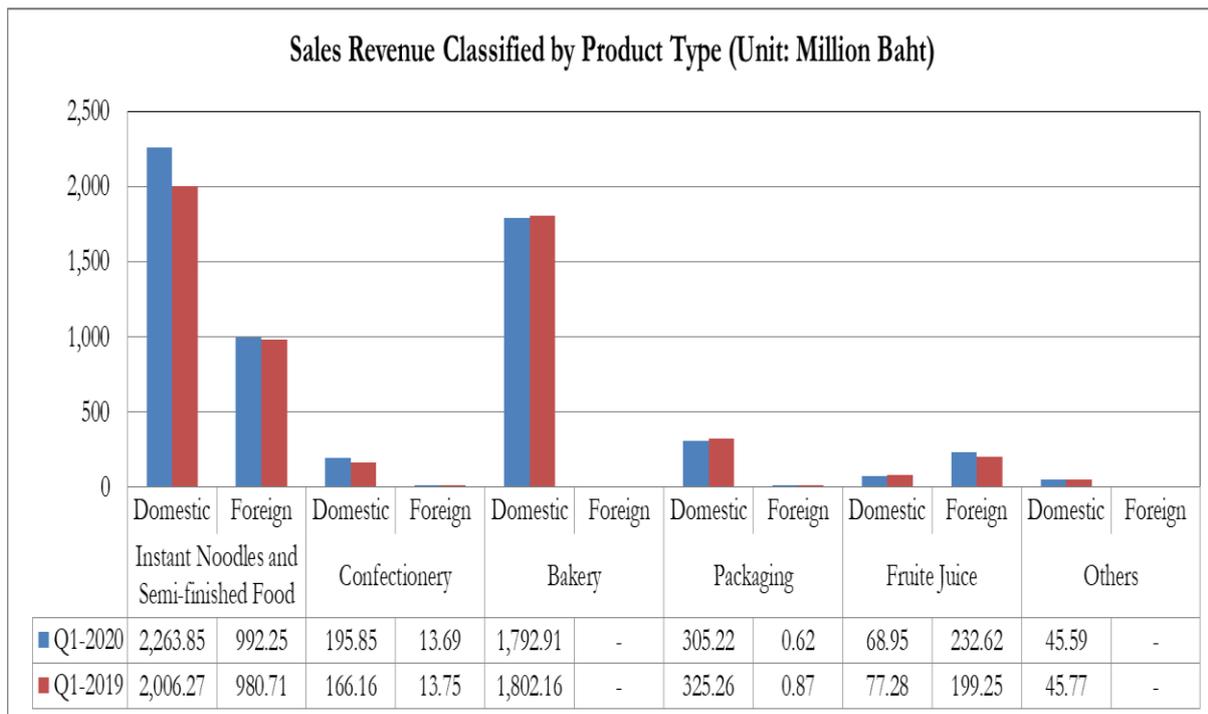
**Management Discussion and Analysis**  
**For the three-month periods ended 31 March 2020**

**1. Performance Results**

**1.1 Sales**

The company recorded the total sales of Baht 5,911.55 million and Baht 5,617.48 million in Q1/2020 and Q1/2019 respectively or increasing by 5.24%.

When classified by products and regions in Q1/2020, the domestic sales increased by 5.64% due to the effect of the Covid-19 pandemic that boost demand of the instant noodles and confectionery products, while the foreign market sales jump by 3.73% which mainly resulted from the 16.74% growth of fruit juice category.



**1.2 Cost of Sales**

The cost of sales of the Company amounted to Baht 3,752.62 million in Q1/2020, increasing by Baht 99.09 million or 2.71% from the previous year, mainly due to higher raw material and packaging cost in accordance with sales volume growth. Thus, the cost of sales to total sales revenues ratio was at 63.48%, lower than that in the previous year which stood at 65.04% resulted from the price of main raw materials dropped. Both wheat flour and palm oil price were decreasing according to the Covid-19 outbreak.



### **1.3 Selling and Administrative Expenses**

The selling and administrative expenses in Q1/2020 totaled to Baht 910.54 million, increasing by Baht 2.56 million or 0.28% from a year earlier. The increase in our selling and administrative expenses resulted from higher exporting expense and higher employee expense in accordance with higher number of employees, together with higher depreciation and amortized expenses. However, the Covid-19 pandemic affected the lower in transportation, fuel, and advertising expenses.

### **1.4 Net Profit**

The company recorded net profit of Baht 1,005.85 million in Q1/2020, increasing by Baht 140.19 million or 16.20% from the previous year. The profit margin of the company stood at 16.36% of total revenue (include Share of profit from investments in associates and joint venture), mainly because of reducing in operating cost from the effect of Covid-19 outbreak while the company still can maintain sales growth.

## **2. Financial Position**

### **2.1 Assets**

The total assets of the company as of March 31, 2020 amounted to Baht 35,584.37 million, increasing by Baht 1,330.95 million or 3.89% from the end of last year. The structure of assets of the company consisted of the fixed assets of Baht 20,087.78 million, accounting for 56.45% of total assets, and the current assets of Baht 15,496.59 million, accounting for 43.55% of total assets. Our asset mainly increased from increasing amount of the short-term financing item which is for the treasury management propose, and the increasing in trade receivables which is not due yet.

### **2.2 Liabilities**

Total liability if the company stood at Baht 4,198.93 million as of March 31, 2020, decreasing by Baht 9.76 million from the end of last year. Most of liability of the company was current liability, while the long-term liability was accounted for 26.93% of total liability. Additionally, debt to equity ratio of the company was at 0.17 times.

### **2.3 Shareholders' Equity**

The shareholders' equity of the company as of March 31, 2020 amounted to Baht 31,385.44 million, increasing by Baht 1,340.70 million or 4.46% from the end of 2019, resulting from the net profit of this quarter .



### 3. Liquidity Position

The balance of operation activities cash inflow in Q1/2020 totaled to Baht 959.25 million. Meanwhile the cash outflow from investment and financing activities amounted to Baht 65.81 million and Baht 15.82 million respectively. The Company, as of March 31, 2020, recorded cash and cash equivalents item of Baht 4,218.46 million, increasing by Baht 898.23 million from the beginning period. Such increase mainly resulted from increasing in operating profit, while the company used fund in buying more production machinery.

Please kindly be informed accordingly

Your sincerely,

(Miss Sararath Tangsirimongkol)

Accounting Manager and Company Secretary