



No. MDA-EN 02/2019

9 May 2019

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on financial performance of Q1'2019 and the three-month period ended 31 March 2019

Sunsweet Public Company Limited ("the Company") would like to submit this Management Discussion and Analysis of Q1'2019 and for the three-month period ended 31 March 2019 as the following details

Consolidated Statement of Income on Q1'2019

Unit: Million THB	Q1'2019	Q1'2018	Increase (decrease)%	Increase (decrease)%
Revenue from sales of processed sweet corn and other agricultural products	409.3	400.3	9.1	2.3
Revenue from trading business	8.7	7.7	1.0	12.9
Revenue from other sales	17.8	18.9	(1.2)	(6.2)
Total revenue from sales	435.8	426.9	8.9	2.1
Other income	1.8	1.6	0.2	11.1
Gain on exchange rate	12.1	11.5	0.5	4.7
Total revenue	449.7	440.1	9.6	2.2
Cost of goods sold	(389.1)	(378.3)	(10.8)	2.8
Gross profit	46.7	48.6	(1.9)	(3.9)
Selling expenses	(33.3)	(35.6)	2.3	(6.3)
Administrative expenses	(17.6)	(19.8)	2.2	(10.9)
Profit before financial costs and income tax	9.7	6.4	3.3	50.5
Finance costs	(1.0)	(1.5)	0.5	(34.1)
Profit before income tax	8.7	4.9	3.8	76.1
Income tax	(0.1)	0.3	(0.4)	(125.1)
Net profit for the period	8.6	5.3	3.4	64.3
<i>Gross profit margin (%)</i>	<i>10.7</i>	<i>11.4</i>	<i>(0.7)</i>	<i>(5.8)</i>
<i>Net profit margin (%)</i>	<i>1.9</i>	<i>1.2</i>	<i>0.7</i>	<i>60.8</i>

บริษัท ชันสวีท จำกัด (มหาชน)

SUNSWEEP PUBLIC COMPANY LIMITED

เลขที่ 9 หมู่ที่ 1 ต.ทุ่งสะโตก อ.สันป่าตอง จ.เชียงใหม่ 50120

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Certificate 10015492/FS



Revenue

The Company and its subsidiary showed total revenue on Q1'2019 of THB 449.7 million, representing an increase of THB 9.6 million or 2.2% over the same period last year. This increase was mainly driven by the revenue from the production and distribution of processed sweet corn particularly by Pouch sweet corn.

Revenue from Sales

The Company and its subsidiary reported sales on Q1'2019 of THB 435.8 million, representing an increase of THB 8.9 million or 2.1% over the same period last year. Total sales growth was mainly driven by (1) increased orders from existing customers, and (2) new customers, especially in Pouch sweet corn from Asia customers.

(1) Revenue from Manufacture and distribution of Processed Sweet Corn and Other Processed Agricultural Products

For Q1'2019, Sales of Manufacture and distribution of Processed Sweet Corn and Other Processed Agricultural Products reached THB 409.3 million and contributed approximately 93.9% of total sales, representing an increase of THB 9.1 million or 2.3% over the same period last year. The sales growth from increased in existing and new customers orders. The sales increase was mainly driven by solid sales in Pouch sweet corn products packed in vacuum bags from Asia customers.

(2) Revenue from Trading Business

For Q1'2019, Trading Business reported sales of THB 8.7 million, increasing by THB 1.0 million or 12.9% over the same period last year. The increase was mainly due to sales in Onion products.

(3) Revenue from Other Sales

For Q1'2019, the income from other sales amounting to THB 17.8 million, slightly decreasing of THB 1.2 million or 6.2% over the same period last year.

Other Income

For Q1'2019, the other income had THB 1.8 million. The slightly increase of THB 0.2 million or 11.1% over the same period last year.

Gain on exchange rate

For Q1'2019, The Company and its subsidiary had a gain on exchange rate THB 12.1 million, slightly increasing by THB 0.5 million.

บริษัท ชันสวีท จำกัด (มหาชน)

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Cost of Goods Sold and Gross Profit from Sales

The gross profit on Q1'2019 was THB 46.7 million (the gross margin was 10.7%) decreasing of THB 1.9 million or 3.9% over the same period last year which the gross profit was THB 48.6 million (the gross margin was 11.4%). Although the sales volume of the Company and its subsidiary was increased, the sale volume in Q1'2019 was 13,454 tons, increased 996 tons or 8% comparing to the same period of last year, leading to higher in production volume and then lower cost per unit over the same period last year. However, the selling price per unit when compared to the same period last year was slightly decreased, due to the high competition in the market, and then the gross profit margin was declined.

Selling Expenses

Selling expenses on Q1'2019 was THB 33.3 million, slightly decreasing by THB 2.3 million or 6.3% over the same period last year. This increase was mainly due to decrease in logistics expense and commission expense.

General and Administrative Expenses

For Q1'2019, the general and administrative expenses amounted to THB 17.6 million, a decrease of THB 2.2 million or 10.9% over the same period last year due to lower advisory and other service fees.

Financial Costs

For Q1'2019, the finance costs amounted to THB 1.0 million, increasing by THB 0.5 million or 34.1% over the same period last year due to increasing in short-term loans from financial institutions for working capital.

Net Profit and Net Profit Margin

The Company's consolidated net profit on Q1'2019 amounted to THB 8.6 million, an increase of THB 3.4 million or 64.3% over the same period last year. This increase was mainly due to increased sales volume and decreased in selling and administrative expenses.

The net profit margin on Q1'2019 represented 1.9%, increasing from the same period last year which was 1.2%. This mainly caused by increased sales volume and decreased in selling and administrative expenses as stated before.

Please be informed accordingly.



Yours sincerely,

(Mr. Vira Nopwattanakorn)

Chief Finance Officer

Sunsweet Public Company Limited

บริษัท ชันสวีท จำกัด (มหาชน)

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