



The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on performance of Q3'2018 and for the nine-month period ended 30 September 2018

Sunsweet Public Company Limited ("the Company") would like to submit this Management Discussion and Analysis of Q3'2018 and for the nine-month period ended 30 September 2018 as the following details

Consolidated Statement of Comprehensive Income on Q3'2018 and for the nine-month period ended 30 September 2018

Unit: Million THB	Q3'2018	Q3'2017	Increase (decrease)%	Nine-month 2018	Nine-month 2017	Increase (decrease)%
Revenue from sales of processed sweet corn and other agricultural products	440.7	395.2	11.5	1,284.5	1,144.2	12.3
Revenue from trading business	8.8	10.1	(12.8)	18.1	29.3	(38.1)
Revenue from other sales	29.7	19.9	49.3	75.9	65.6	15.6
Total revenue from sales	479.2	425.2	12.7	1,378.5	1,239.1	11.3
Other income	2.0	12.5	(84.0)	5.8	16.2	(64.3)
Gain on exchange rate	0.0	9.4	(100.0)	6.3	18.4	(65.6)
Total revenue	481.2	447.1	7.6	1,390.7	1,273.7	9.2
Cost of goods sold	(391.5)	(329.5)	18.8	(1,171.9)	(977.1)	19.9
Gross profit	87.7	95.8	(8.4)	206.6	262.0	(21.1)
Selling expenses	(32.6)	(30.9)	5.6	(103.1)	(90.5)	14.0
Administrative expenses	(18.1)	(21.8)	(16.7)	(57.6)	(64.5)	(10.6)
Loss on exchange rate	(9.9)	0.0	100.0	0.0	0.0	0.0
Profit before financial costs and income tax	29.1	64.9	(55.1)	58.0	141.7	(59.1)
Finance costs	(0.3)	(6.1)	(95.2)	(2.7)	(17.4)	(84.2)
Profit before income tax	28.8	58.8	(51.0)	55.2	124.3	(55.6)
Income tax	0.1	(0.0)	(662.4)	0.1	(12.8)	(100.4)
Net profit for the period	28.9	58.8	(50.8)	55.3	111.5	(50.4)
<i>Gross profit margin (%)</i>	18.3	22.5		15.0	21.1	
<i>Net profit margin (%)</i>	6.0	13.2		4.0	8.8	

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Revenue

The Company and its subsidiary showed total revenue on Q3'2018 of 481.2 million Baht, representing an increase of 34.1 million Baht or 7.6% over the same period last year.

The Company and its subsidiary showed total revenue for 9-month period ended 30 September 2018 of 1,390.7 million Baht, representing an increase of 117.0 million Baht or 9.2% over the same period last year. The increase was mainly driven by the following items:

Revenue from Sales

The Company and its subsidiary showed total revenue on Q3'2018 of 479.2 million Baht, representing an increase of 54.0 million Baht or 12.7% over the same period last year. Total revenue increased mainly from the revenue from the production and distribution of processed sweet corn and other processed agricultural products. The increase in revenue came from higher production from (1) increased orders from existing customers, and (2) new customers, particularly Pouch sweet corn from Asia and European customers.

The Company and its subsidiary showed total revenue for 9-month period ended 30 September 2018 of 1,378.5 million Baht, representing an increase of 139.4 million Baht or 11.3% over the same period last year.

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

For Q3'2018, Sales of Manufacture and distribution of Processed Sweet Corn and Other Processed Agricultural Products reached 440.7 million Baht when compared with last year which was 395.2 million Baht, or increasing by 11.5% over the same period last year. The increase was driven by increased orders from existing customers. In addition, orders of Pouch sweet corn products packed in vacuum bags from Asia and European customers increased.

For 9-month period ended 30 September 2018, Sales performance of the business of Manufacture and distribution of Processed Sweet Corn and Other Processed Agricultural Products reached 1,284.5 million Baht, representing an increase of 140.3 million Baht or 12.3% over the same period last year.

(2) Revenue from Trading Business

For Q3'2018, Trading Business reported sales of 8.8 million Baht, decreasing by 1.3 million Baht or 12.8% over the same period last year. This decline was mainly driven by the Company and its

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subsidiary remaining focus on trading with existing customers who buying sweet corn. The Company and its subsidiary had set trading policy allowed only advance payment when submitting order, and set-up effective profit margin control.

For 9-month period ended 30 September 2018, Trading Business reported sales of 18.1 million Baht, decreasing by 11.2 million Baht or 38.1% over the same period last year.

(3) Revenue from Other Sales

For Q3'2018, the income from other sales amounting to 29.7 million Baht, increasing by 9.8 million Baht or 49.3% over the same period last year. As the company has promoted the farmers the planting of sweet corn to support the company's production plan. Sales of sweet corn seeds to farmers as well as the revenue from sales of the corn cob increased due to the increase in production.

For 9-month period ended 30 September 2018, the income from other sales amounting to 75.9 million Baht, increasing by 10.3 million Baht or 15.6% over the same period last year.

Other Income

For Q3'2018, the other income had 2.0 million Baht. The decrease of 10.5 million Baht or 84.0% over the same period last year was mainly due to in August 2017, the company received compensation from a financial institution amounting to 11.1 million Baht in case the company filed a suit against former fraudulent counterfeit employees.

For 9-month period ended 30 September 2018, the other income had 5.8 million Baht. Decreasing by 10.4 million Baht or 64.3% over the same period last year.

Gain (loss) on exchange rate

For Q3'2018, The Company and its subsidiary had a loss on exchange rate 9.9 million Baht due to the baht appreciation against other currencies the same period last year.

For the 9-month period ended 30 September 2018, there was gain on exchange rate of 6.3 million Baht.

Cost of Goods Sold and Gross Profit from Sales

The gross profit on Q3'2018 was 87.7 million Baht (the gross margin was 18.3%) decreased from the same period last year 8.1 million Baht or 8.4% over the same period last year which the gross profit was 95.8 million Baht (the gross margin was 22.5%). Although the Company and its subsidiaries' sales volume in Q3'2018 was 13,519 tons, increased 2,142 tons or 18.8% comparing to the same period of last year, however, gross

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profit and gross profit margin declined due to the baht appreciation against other currencies compared to the same period last year.

The gross profit of 9-month period ended 30 September 2018 was 206.6 million Baht decreased from the same period last year 55.4 million Baht or 21.1% over the same period last year mainly caused by baht appreciation as stated before.

Selling Expenses

Selling expenses on Q3'2018 was 32.6 million Baht, increasing by 1.7 million Baht or 5.6% over the same period last year. This increase was mainly due to increase in domestic and export logistics activities along with higher sales volume.

Selling expenses for 9-month period ended 30 September 2018 was 103.1 million Baht, increasing by 12.6 million Baht or 14.0% over the same period last year.

General and Administrative Expenses

For Q3'2018, the general and administrative expenses amounted to 18.1 million Baht, decreasing by 3.7 million Baht or 16.7% over the same period last year. The decrease in administrative expenses was due to the fact that in Q3'2017, there were advisory and other fees for listing in Stock Exchange Market of Thailand.

For 9-month period ended 30 September 2018, the general and administrative expenses amounted to 57.6 million Baht, decreasing by 6.9 million Baht or 10.6% over the same period last year.

Financial Costs

For Q3'2018, the finance costs amounted to 0.3 million Baht, declining by 5.8 million Baht or 95.2% over the same period last year due to the company used proceeds from IPO to repay loans from financial institutions, leading the Company to be able to rely more on internal working capital rather than using the short-term loan from bank, and then the finance costs had decreased.

For 9-month period ended 30 September 2018, the finance costs amounted to 2.7 million Baht, declining by 14.7 million Baht or 84.2% over the same period last year.

Net Profit and Net Profit Margin

The Company's consolidated net profit on Q3'2018 amounted to 28.9 million Baht, dropping by 29.9 million Baht or 50.8% over the same period last year. This decrease was mainly from lower gross profit due to appreciation of THB against USD, and higher selling expenses, even though the decrease in administrative expenses and finance costs.

The Company's consolidated net profit for 9-month period ended 30 September 2018 amounted to 55.3 million Baht, dropping by 56.2 million Baht or 50.4% over the same period last year.

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The net profit margin on Q3'2018 represented 6.0%, decreasing from the same period last year which was 13.2%. This mainly caused by appreciation of THB against USD, resulting in decrease in revenue from sales of goods, gross profit and gross profit margin.

The net profit margin for 9-month period ended 30 September 2018 represented 4.0%, decreasing from the same period last year which was 8.8%.

Please be informed accordingly.

Yours sincerely,

(Mr. Vira Nopwattanakorn)

Chief Finance Officer

Sunsweet Public Company Limited

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