

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on financial performance of Q4'2018 and the year ended 31 December 2018

Sunsweet Public Company Limited ("the Company") would like to submit this Management Discussion and Analysis of Q4'2018 and for the year ended 31 December 2018 as the following details

Consolidated Statement of Income on Q4'2018 and for the year ended 31 December 2018

Unit: Million THB	Q4'2018	Q4'2017	Increase (decrease)%	FY 2018	FY 2017	Increase (decrease)%
Revenue from sales of processed sweet corn and other agricultural products	427.2	379.9	12.4	1,711.7	1,524.1	12.3
Revenue from trading business	1.1	8.7	(87.0)	19.2	38.0	(49.3)
Revenue from other sales	22.3	18.5	20.1	98.2	84.1	16.6
Total revenue from sales	450.6	407.1	10.7	1,829.1	1,646.2	11.1
Other income	3.5	2.2	58.9	9.3	18.4	(49.7)
Gain on exchange rate	-	4.0	(100.0)	-	22.4	(100.0)
Total revenue	454.1	413.3	9.9	1,838.4	1,687.0	9.0
Cost of goods sold	(389.3)	(354.6)	9.8	(1,561.2)	(1,331.7)	17.2
Gross profit	61.3	52.5	16.8	267.9	314.5	(14.8)
Selling expenses	(30.7)	(29.8)	3.1	(133.9)	(120.3)	11.3
Administrative expenses	(17.5)	(21.4)	(18.8)	(75.1)	(85.9)	(12.7)
Loss on exchange rate	(14.4)	-	100.0	(8.1)	-	100.0
Profit before financial costs and income tax	2.2	7.4	(70.7)	60.1	149.1	(59.7)
Finance costs	(0.5)	(7.4)	(93.4)	(3.2)	(24.8)	(86.9)
Profit before income tax	1.7	-	100.0	56.9	124.3	(54.2)
Income tax	(0.6)	6.0	(108.8)	(0.5)	(6.8)	(92.9)
Net profit for the period	1.1	6.0	(81.0)	56.4	117.5	(52.0)
<i>Gross profit margin (%)</i>	<i>13.6</i>	<i>12.9</i>	<i>5.5</i>	<i>14.6</i>	<i>19.1</i>	<i>(23.3)</i>
<i>Net profit margin (%)</i>	<i>0.3</i>	<i>1.4</i>	<i>(82.7)</i>	<i>3.1</i>	<i>7.0</i>	<i>(55.9)</i>

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SUNSWEEET PUBLIC COMPANY LIMITED

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Revenue

The Company and its subsidiary showed total revenue on Q4'2018 of THB 454.1 million, representing an increase of THB 40.8 million or 9.9% 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 Canned and Pouch sweet corn.

The Company and its subsidiary showed total revenue for the year ended 31 December 2018 of THB 1,838.4 million, representing an increase of THB 151.4 million or 9.0% over the same period last year. The increase was mainly driven by the following items:

Revenue from Sales

The Company and its subsidiary reported sales on Q4'2018 of THB 450.6 million, representing an increase of 43.5 million or 10.7% 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 Canned and Pouch sweet corn from Asia and European customers.

The Company and its subsidiary reported sales for the year ended 31 December 2018 of THB 1,829.1 million, representing an increase of THB 182.9 million or 11.1% over the same period last year.

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

For Q4'2018, Sales of Manufacture and distribution of Processed Sweet Corn and Other Processed Agricultural Products reached THB 427.2 million and contributed approximately 94.8% of total sales when compared with last year which was THB 379.9 million or increasing by 12.4% 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 both Canned and Pouch sweet corn products packed in vacuum bags from Asia and European customers.

For the year ended 31 December 2018, Sales performance of the business of Manufacture and distribution of Processed Sweet Corn and Other Processed Agricultural Products reached THB 1,711.7 million, representing an increase of THB 187.6 million or 12.3% over the same period last year.

(2) Revenue from Trading Business

For Q4'2018, Trading Business reported sales of THB 1.1 million, decreasing by THB 7.6 million or 87.0% over the same period last year. This decrease was due to the Company and its subsidiary remaining focus on trading with existing customers who buying sweet corn. The Company

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and its subsidiary had set trading policy allowed only advance payment when submitting order, and set-up effective profit margin control.

For the year ended 31 December 2018, Trading Business reported sales of THB 19.2 million, decreasing by THB 18.8 million or 49.3% over the same period last year.

(3) Revenue from Other Sales

For Q4'2018, the income from other sales amounting to THB 22.3 million, an increasing of THB 3.8 million or 20.1% over the same period last year due to the company has promoted the farmers the planting of sweet corn to support the production plan. Therefore, the Sales of sweet corn seeds to farmers, and the Sales of the corn cob were increased in line with the increase in production.

For the year ended 31 December 2018, the income from other sales amounting to THB 98.2 million, increasing by THB 14.1 million or 16.6% over the same period last year.

Other Income

For Q4'2018, the other income had THB 3.5 million. The increase of THB 1.3 million or 58.9% over the same period last year.

For the year ended 31 December 2018, the other income had THB 9.3 million. Decreasing by THB 9.1 million or 49.7% over the same period last year was mainly due to in August 2017, the company received compensation from a financial institution.

Gain (loss) on exchange rate

For Q4'2018, The Company and its subsidiary had a loss on exchange rate THB 14.4 million due to the baht appreciation against other currencies the same period last year.

For the year ended 31 December 2018, there was loss on exchange rate of THB 8.1 million.

Cost of Goods Sold and Gross Profit from Sales

The gross profit on Q4'2018 was THB 61.3 million (the gross margin was 13.6%) increased from the same period last year of THB 8.8 million or 16.8% over the same period last year which the gross profit was THB 52.5 million (the gross margin was 12.9%). This increase was due to the sales volume of the Company and its subsidiary in Q4'2018 was 13,658 tons, increased 1,714 tons or 14.4% 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.

The gross profit of the year ended 31 December 2018 was THB 267.9 million decreased from the same period last year THB 46.6 million or 14.8% over the same period last year mainly due to baht appreciation against other currencies, and due to slightly decrease in selling price per unit.

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Selling Expenses

Selling expenses on Q4'2018 was THB 30.7 million, increasing by THB 0.9 million or 3.1% 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 the year ended 31 December 2018 was THB 133.9 million, increasing by THB 13.6 million or 11.3% over the same period last year.

General and Administrative Expenses

For Q4'2018, the general and administrative expenses amounted to THB 17.5 million, a decrease of THB 3.9 million or 18.8% over the same period last year due to lower advisory or other service fees for listing in Stock Exchange Market of Thailand.

For the year ended 31 December 2018, the general and administrative expenses amounted to THB 75.1 million, decreasing by THB 10.8 million or 12.7% over the same period last year.

Financial Costs

For Q4'2018, the finance costs amounted to THB 0.5 million, declining by THB 6.9 million or 93.4% 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 the year ended 31 December 2018, the finance costs amounted to THB 3.2 million, declining by THB 21.6 million or 86.9% over the same period last year.

Net Profit and Net Profit Margin

The Company's consolidated net profit on Q4'2018 amounted to THB 1.1 million, a decrease of THB 4.9 million or 81.0% over the same period last year. This decrease was mainly due to reversing the corporate income tax amount of THB 6.0 million in Q4'2017.

The Company's consolidated net profit for the year ended 31 December 2018 amounted to THB 56.4 million, dropping by THB 61.1 million or 52.0% over the same period last year.

The net profit margin on Q4'2018 represented 0.3%, decreasing from the same period last year which was 1.4%. This mainly caused by reversing the corporate income tax amount of THB 6.0 million in Q4'2017 as stated before.

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The net profit margin for the year ended 31 December 2018 represented 3.1%, decreasing from the same period last year which was 7.0%. The net profit decline was mainly due to high base and the appreciation of the Thai Baht from previous year and due to a slight decrease in selling price per unit, resulting in the recognition of revenue from sales of goods, gross profit and gross profit margin.

Please be informed accordingly.



Yours sincerely,

(Mr. Vira Nopwattanakorn)

Chief Finance Officer

Sunsweet Public Company Limited

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