

1 March 2021

Attention: The President

The Stock Exchange of Thailand

Subject: Management Discussion and Analysis for the operational results of 2020

[The Progress of Debenture Case TLUXE198A and the Progress of the Geothermal Power Plant Case \(Revised 2\)](#)

PP Prime Public Company Limited

PP Prime Public Company Limited would like to deliver the explanation and analysis of the management for the operating results of 2020 as follows:

Performance overview

In 2020, PP Prime Public Company Limited (“the Company”) and its subsidiaries had sales revenues of Baht 1,663.84 million, consisting of revenue from animal feed business, electric power plant business and other incomes were Baht 1,642.33 million, Baht 21.42 million and Baht 0.09 million, respectively. Revenue from animal feed business and electric power plant business are accounting for 98.71 percent and 1.29 percent of total sales revenue. The Company and its subsidiaries have decreased in total income by 20.27% compared to the previous year. The revenue of the main business decreased 21.50% compared to the previous year.

In 2020, the Company and its subsidiaries had a total net loss of Baht 329.57 million, which decreased 77.48% compared to the previous year. The main reason was that in the previous year the Company recognized the allowance for impairment of Baht 680.79 million and loss on the disposal of investment of Baht 771.94 million.

Consolidated Financial Statements (Unit: Million Baht)	2020	2019	Change increase (decrease)	Percentage
Revenue from sales	1,663.84	2,119.42	(455.58)	(21.50)
Other incomes	37.24	14.04	23.20	165.24
Total Revenues	1,701.08	2,133.46	(432.38)	(20.27)
Cost of Sales	1,453.19	1,757.39	(304.20)	(17.31)
Selling and Administrative Expenses	274.72	346.31	(71.59)	(20.67)
Impairment	188.84	680.79	(491.95)	(72.26)
Loss from changed of fair value	32.24	5.41	26.83	495.93
Loss from investment	-	771.94	(771.94)	(100.00)

Loss from exchange rate	-	18.74	(18.74)	(100.00)
Finance cost	86.18	125.47	(39.29)	(31.31)
Total Expenses	2,035.17	3,706.05	(1,670.88)	(45.09)
Profit (Loss) before finance costs and income tax expenses	(334.09)	(1,572.59)	1,238.50	(78.76)
Income tax expenses	4.52	109.39	(104.87)	(95.87)
Profit (Loss) for the period	(329.57)	(1,463.20)	1,133.63	(77.48)

Explanation and Analysis of Financial Status and Operating Results of 2020

1.1 Income

Aquatic Feed Business

In 2020, the Company's revenue from aquaculture feed business was Baht 1,324.62 million, a 28.73 percent decrease from the previous year.

The shrimp farming industry, due to the problem of the severe red and white plague disease, the rapid death of the shrimp together with the situation of corona virus disease 2019 (COVID-19), the Feed Traders Association announced a reduction in shrimp feed prices to help reduce production costs for farmers. As a result, the shrimp feed sales revenue decreased by 25.64% compared to the same quarter of the previous year.

The fish farming industry, due to the problem of drought and the situation of the corona virus disease 2019 (COVID-19), the Feed Traders Association announced a reduction in fish feed prices to help reduce production costs for farmers. Therefore, the revenue from fish feed sales dropped by 32.11% compared to the same quarter of last year.

Pet Food Distribution Business

The Company had revenue from pet food production of Baht 317.71 million. Revenue increased approximately 67.96% compared to the same quarter of the previous year.

Electric Power Plant Business

The Company operates the business of producing and distributing electricity from geothermal energy in Japan. Revenue from electricity sales from subsidiaries in 2020 amounted to Baht 21.42 million, a 70.05 percent decrease compared to the same quarter of the previous year. As there are some projects under construction. The Company has 5 revenue-generating power plants out of 15 commercially operated power plants.

1.2 Cost of Sales

Most of the Company's cost of sales comes from raw material costs in production. In 2020, the Company had cost of sales of Baht 1,453.19 million, a 17.31 percent decrease compared to the same quarter of the previous year. It was in line with the lower sales revenue.

1.3 Gross Profit

Gross profit in 2020 was Baht 210.65 million, a 41.81 percent decrease compared to the same quarter of the previous year with gross profit of Baht 362.03 million.

1.4 Selling and Administrative Expenses

Selling and administrative expenses in 2020 was Baht 274.72 million, a decrease of 71.59 or 20.67 percent compared to the previous year. The lower administrative expenses due to the business transfer tax of Baht 25 million and the allowance for doubtful accounts of Baht 15 million for selling expenses decreased by Baht 23 million due to the situation of corona virus disease 2019 (COVID-19).

1.5 Impairment

The allowance for impairment decreased by 491.95 or 72.26% compared to the previous year. As in the year 2019, the Company has considered an allowance for impairment of assets of geothermal power plants. Loan accrued interest and an advance payment of Baht 680.79 million. In this year, the allowance for impairment of property of geothermal power plant has been considered. Additional loan amount Baht 188.84.

1.6 Net profit (loss)

In 2020, the Company and its subsidiaries had a net loss of Baht 329.57 million or a loss of Baht 0.48 per share.

Financial status

2.1 Assets

As of 31 December 2020, the Company and its subsidiaries had total assets of Baht 1,898.83 million, a decrease of Baht 558.43 million from as of 31 December 2019 or 22.73%, mainly decreased from inventories of Baht 187.35 million. From the company's inventory control policy Trade accounts receivable of Baht 92.27 million, depreciation and amortization of fixed assets amounting to 115 million baht and allowance for impairment of 188.84 million baht.

2.2 Liabilities

As of 31 December 2020, the Company and its subsidiaries had total liabilities of Baht 1,825.77 million, a decrease of Baht 187.34 million or 9.31 percent from 31 December 2019 due to the company repayment of

overdraft and short-term loans from institutions for Baht 102.99 million baht and in the second quarter, the company has exercised the right to redeem some debentures amounting to Baht 93.90 million.

The ratio of debt to equity as of 31 December 2020 and 31 December 2019 are 24.99 times and 4.53 times, respectively. The major cause is from the allowance for impairment of assets of Baht 188.84 million, loss on investments in equity securities Baht 38.29 million, loss from changes in fair value of Baht 32.24 million.

Major liabilities whose maturity date changes after the period end.

Type of debt	Million Baht	Due date	Explanation
Promissory notes	50.00	31 August 2021	Grace period during January – July 2021 Originally, the company had debt from promissory notes amounting Baht 60 million, later the company received approval from the bank to pay the principal of Baht 10 million in March 2021. The current balance is of Baht 50 million.
Short term loans	479.71	16 February 2022	Grace period during February – July 2021 The company originally had long-term debt with an export bank. Later, the company received approval from the bank to pay the principal of Baht 27.72 million (JPY 94.70 million) in January 2021. The current balance is of Baht 479.71 million. In addition, the bank has approved the cancellation of the conditions for maintaining the ratio. Of net debt to equity to the company in the month February 2021
Debenture 1/2018 (TLUXE205A)	170.00	5 May 2022 (10%) 2 July 2023 (90%)	Date change for interest payment from every 3 months to every 6 months Changed the interest rate from 7.00 percent to 7.06 percent.
Debenture 2/2018 (TLUXE198A)	255.60	2 July 2022 (10%) 2 July 2023	Date change for interest payment from every 3 months to every 6 months Changed the interest rate from 7.75 percent to

		(90%)	7.83 percent. Cancellation of the D/E Ratio condition
Debenture 1/2019 (PPPM213A)	207.60	18 March 2022 (10%) 18 March 2012 (90%)	Date change for interest payment from every 3 months to every 6 months Changed the interest rate from 8.50 percent to 8.59 percent. Cancellation of the D/E Ratio condition

2.3 Shareholders' Equity

As of 31 December 2020, the Company and its subsidiaries had shareholders' equity of Baht 73.06 million, a decrease of Baht 371.09 million or 83.55%, mainly from the operating loss in 2020 of Baht 329.57 million and loss from warrants Which expires during the period in the amount of Baht 38.71 million.

Liquidity

In 2020, the Company and its subsidiaries had net cash flow from operating activities of Baht 219.49 million, cash flow used from investing activities of Baht 13.05 million and cash flow used in financing activities of Baht 207.12 million, and a decrease from the effect of exchange rate of Baht 6.47 million, the Company had cash and cash equivalents decreased by Baht 7.15 million. .As a result, as of 31 December 2020, the Company and its subsidiaries had cash and cash equivalents at the end of the period of Baht 38.39 million.

Legal Progress Report

Case 1 (Debentures)

On 27 August 2019, the bondholder filed a lawsuit against the Civil Court. The company pay the principal and default interest in the total amount of Baht 4,098,438.39.

Subsequently, on 20 December 2019, the Civil Court ordered the Company to make a payment of Baht 4,000,000 with interest at the rate of 9.25 percent per annum from the date of filing onwards until the payment is complete.

On 19 May 2020, the Appeal Court ruled in accordance with the judgment of the Civil Court; however, amend the interest payment from the original, calculated from the date of filing as from 6 September 2019 onwards until the payment is complete. In addition to the amendment to comply with the judgment of the Civil Court, the charge of the appeal is folded with respect to the judgment of the Civil Court and the Appeal Court, the Company does not agree as the mentioned judgment does not consider the judgment according to

the judgement of the Appeal Court in relation to what had approached. The Company will use the right to appeal such judgement.

On 10 February 2021, the Samut Songkhram Provincial Court read the order of the Supreme Court and issued an order not to allow the petition. Dismiss the request for relief of enforcement as a result of the said order, the judgment of the Court of Appeal Region 7 is finally legal on 10 February 2021, and the company, as the defendant, has the duty to pay interest at 9.25 percent per year from 6 September 2019 until 2 July 2020 of the principal of Baht 4,000,000 and interest payment of 9.25 percent per annum from 3 July 2020 on the principal of Baht 3,200,000 until payment is completed including deducting the interest paid

Case 2 (Debentures)

On 14 November 2019, the 2nd bond holder filed a lawsuit with the Civil Court asking the Company to pay the principal plus interest in default in the amount of Baht 2,012,835.61 and the appointment of witnesses to the plaintiff and the defendant on 23 March 2020

On 14 October 2020, the Civil Court ordered the defendant to pay the plaintiff Baht 1,600,000 with interest at the rate of 9.25 percent per annum from 3 July 2020 onwards until the payment is completed to the plaintiff. and interest at the rate of 9.25 percent per annum of the principal of Baht 2,000,000 from 2 August 2019 onwards until payment is completed to the plaintiff by taking the amount of interest that the defendant paid to the plaintiff and deducted from the interest the defendant paid to the plaintiff

On 3 February 2021, the Company submitted an appeal of the judgment. Currently it is being considered by the Appeal Court. The Company will then notify the progress later.

Case 3 (Geothermal Power Plant Project)

According to the company has passed a resolution on 15 May 2018 in the sale of geothermal power plants for 15 units in Japan, selling at a price of JPY 320 million per unit according to the preliminary agreement (Memorandum of Understanding, MOU) dated 21 June 2018, and later it appears that the Japanese subsidiary has entered into 3 contracts as following details:-

The first contract dated 25 February 2019, with the essence of that, Beppu Forest Power Co., Ltd. will pay a second deposit of JPY 400 million (about Baht 116.28 million) and will transfer 25% of the shares to PPSN Co., Ltd. and PPSN Co., Ltd. will transfer ownership of 4 power plants to Beppu Forest Power Co., Ltd. within 15 days of receiving payment.

The second contract, dated 5 April 2019, is a memorandum of agreement that Beppu Forest Power Co., Ltd. and PPSN Co., Ltd. agreed that Beppu Forest Power Co., Ltd. has the right to terminate the agreement if the property transfer agreement. (Contract 3) not approved by the Board of Directors

The third contract, dated 5 April 2019, has four parties: Beppu Forest Power Co., Ltd., PPSN Co., Ltd., Lena Power Station No. 1 LLC., and the company which this agreement was signed by Beppu Forest Power Co., Ltd. with PPSN Co., Ltd., which only mentioned the purchase of power plants at a price of JPY 200

million per unit, ownership of 2 PPSN Co., Ltd. and 2 plants of Lena Power Station No. 1 LLC. The total is four units worth JPY 800 million and did not mention a 25% share transfer, which is against the first contract.

The company consulted with a legal advisor in Japan in the case of the third contract. It will be binding on the company or not. The legal advisor has a legal opinion, with the following conclusions.

1. In the case of Lena Power Station No.1 LLC. If it can be proven that Lena Power Station No.1 LLC. has not authorized PPSN Co., Ltd. to sign an agreement on its behalf. It will not be binding on Lena Power Station No. 1 LLC.
2. In the case that the company can prove that the company does not authorize PPSN Co., Ltd. to sign an agreement on their behalf will not be binding on the company

PPSN Co., Ltd. by the former 2nd director at that time informed that in person he did not sign himself. but the former first director signed on his behalf by the Japanese legal advisor informed that according to Japanese law, this is the case of true intention, it is the real intent of the contract. If contrary to the intent of the signatory. This contract will be null and void. If it can be proven that the former 2nd director has not signed this contract, but the former director No. 1 has signed on behalf of this agreement, PPSN Co., Ltd. is not bound as well

In accordance with the resolution of the Board of Directors Meeting No. 22/2019 held on 23 December 2019, resolved to send a notice informing Beppu Forest Power Co., Ltd. to pay the remaining JPY 4,200 million to the company by date. 31 January 2020, if Beppu Forest Power Co., Ltd. ignores the remaining payment. The company exercise the right to terminate the contract and seize the deposit of JPY 600 million (or approximately Baht 176 million), as well as hurry to find other investors interested in the future. Along with accelerating production efficiency improvements and acknowledge the arbitrary contract of the subsidiary in Japan

Later, on 25 December 2019, the company sent a letter according to the resolution of the meeting to Beppu Forest Power Co., Ltd., summarized as follows.

The company insisted on selling the power plants at a price of JPY 320 million per plant, rejecting the contract that Beppu Forest Power Co., Ltd. made later to buy four power plants at a price of JPY 200 million each and asked. Beppu Forest Power Co., Ltd. make the remaining payment according to Initial agreement (Memorandum of Understanding, MOU) of JPY 4,200 million by 31 January 2020, otherwise the company will cancel the contract and continue to seize the deposit.

Subsequently, on 24 January 2020 and 20 February 2020, the Company was notified by the subsidiary in the Electricity Generating Group that the Purchaser had informed the Subsidiary that the purchaser had taken the payment for the electricity they had to pay in 2020, four power plants comprised two P-Power and two Lena - 1 power plants the company had to receive from electricity sales revenue of JPY 11,383,944 and JPY 16,599,528 respectively. Oita Legal Affairs Bureau (Oita Legal Affairs Bureau) due to Beppu Forest Power Co., Ltd., which has entered into an agreement to buy 15 power plants from a group of power generating companies have asked the buyer of electricity Pay electricity bills to Beppu Forest Power Co., Ltd. Power buyers therefore have questions about their right to receive electricity bills. For the period

January to July 2020 due in February to August 2020, placed at the Oita City Law Office (P-Power and Lena stopped producing electricity in August 2020 and June 2020, respectively).

According to the resolution of the Board of Directors Meeting No. 1/2020 held on 5 February 2020, it resolved to acknowledge the progress of the sale of 15 power plants. At present, Beppu Forest Power Co., Ltd. has not yet paid the rest with the company. Therefore, the management will seize the deposit of JPY 600 million by going to consult with the legal advisor.

On 18 June 2020, PPSN Co., Ltd. received a letter from Beppu Forest Power Co., Ltd., a counterparty to acquire PPSN Co., Ltd.'s geothermal power plant by Beppu Forest Power Co., Ltd., referring to the contract No. 2 dated 5 April 2019, whereby the contents of this agreement will sell four power plants at a price of JPY 200 million each, totaling JPY 800 million by Beppu Forest Power Co., Ltd. JPY 400 million will be paid within 2 weeks, and the remaining JPY 400 million will be paid within a year. Four of the power plants are owned by PPSN Co., Ltd. 2 and 2 are owned by Lena Power Station No. 1 LLC. Beppu Forest Power Co., Ltd. will cancel the purchase of 2 power plants of Lena Power Station No. 1 LLC., A 100% subsidiary of the company, and on 17 July 2020, PPSN Co., Ltd. received "Summons for reporting on the day of the 1st oral statement and letter of response request" from Beppu Forest Power Co., Ltd., demanding PPSN Co., Ltd. to pay Beppu Forest Power Co., Ltd. for JPY 40,540,542 with accrued interest at the rate of 3 percent per year, starting from 2 May 2020 until the payment has been made and the costs of the prosecution have been paid. Co., Ltd. submits the testimony on 27 August 2020.

On 6 August 2020, PPSN Co., Ltd. received an order to temporarily freeze assets from the Tokyo District Court in Japan, number 2, the essence of the temporary asset freeze order can be summarized as follows.

1. Temporary seizure order No. 1 The court issued an order to temporarily freeze 2 land plots of PPSN Co., Ltd., which is the location of 1 power plant (Unit B power plant), designated Beppu Forest Power Co., Ltd. has a guarantee of JPY 300,000. If PPSN Co., Ltd. can place a collateral amount of JPY 1,404,131, PPSN Co., Ltd. can suspend the order. Or withdraw an order to temporarily freeze assets
2. Temporary Freezes Order No. 2 The Court issued an order to temporarily freeze revenue from the sale of electricity of Unit B power plant from 17 July 2020 to 16 July 2021, requiring Beppu Forest Power Co., Ltd. to place Insurance JPY 7,900,000. If PPSN Co., Ltd. can place a collateral amount of JPY 39,433,306, PPSN Co., Ltd. can suspend this order. Or withdraw an order to temporarily freeze assets

On 27 August 2020, the Director and Chief Executive Officer of PPSN Co., Ltd. reported himself by the 1st oral statement. PPSN Co., Ltd. appointed a lawyer on that date and PPSN Co., Ltd. has clarified the information to the court on 6 October 2020 and 5 November 2020.

On 24 December 2020, Beppu Forest Power Co., Ltd. and PPSN Co., Ltd. reported to the court on time, the Beppu Forest Power Co., Ltd. announced to the court that Beppu Forest Power Co., Ltd. will ask for further additions. The Court therefore required Beppu Forest Power Co., Ltd. to submit an objection against the testimony by 5 February 2021, with the fourth hearing scheduled for 15 February 2021.

On 15 February 2021, PPSN Co., Ltd. and Beppu Forest Power Co., Ltd. submitted to the court and clarified the information to the court. by setting the date for the 5th hearing on 13 April 2021

Summary of Shrimp Industry Situation 4Q2020

Shrimp farming situation

- 1) White shrimp 85% due to short farming period, high yield and more market support than other types,
- 2) 10% black tiger prawn raised in the eastern area near Suvarnabhumi Airport. and the South, nearby areas of Phuket which has flights to send shrimp to China,
- 3). Lobster 5%, mostly in the central region. Most consumer markets are within the country.

In the fourth quarter, farmers began to delay farming. Shrimp is raised in 30% of the area due to the problem of changing seasons into monsoon season When entering the end of the fourth quarter, it is the end of the rainy season. Each region is affected differently as follows.

In the South, there is an outbreak of red and white disease in the Gulf of Thailand. Since Nakhon Si Thammarat, Songkha and Pattani provinces, there is also a problem of wheezing, especially in the Andaman side. From the aforementioned epidemic problems, most farmers have adjusted their farming style, such as adjusting to a small pond. PE use for paving the pond and release a thinner density. To reduce the risk of pandemic diseases resulting in a slight decrease in productivity from the previous year; however, the average shrimp size is larger

Eastern region, the baby shrimp is not enough to meet the needs of the farmers. In addition, Rayong, Chanthaburi and Trad provinces suffer from severe wheezing. The disease red and white eyes are common as well as the southern region

The central region has little impact. Since it is an area of fresh water and the main white shrimp is mixed with lobster with lower density in both the eastern and southern regions From the epidemic problem causing the yield to not meet as expected

The price has dropped. Compared with the previous year, in December 2020, the price of white shrimp has decreased by 15-20 baht per kg. The impact of the Corona virus Disease 2019 (COVID-19) outbreak of foreign workers. As a result, the government ordered to close the shrimp market at Mahachai Subdistrict, Muang District, Samut Sakhon Province, but when comparing the prices of Thai shrimp with competitors such as India, Indonesia and Ecuador, it was found that shrimp prices of all sizes of Thailand were higher than their competitors. From higher production costs. As a result, importers of shrimp from the United States and Japan. turned to import more from competing countries which is in accordance with the market mechanism

Export of cultured marine shrimp (White shrimp, vanamai and black tiger prawns) are among Thailand's fisheries agricultural products this year that have been hit hard by the coronavirus disease 2019 (COVID-19)

epidemic situation, mainly due to consumption. The decline of the destination market both export market and domestic market (Accounting for 83 percent and 17 percent of the output in Thailand, respectively) in the export market. The major trading partners, including the US, Japan and China (together accounting for 68 percent of Thailand's frozen and frozen shrimp exports to the world market) were among the top countries with the highest number of infections as the world and are facing with economic challenges and weak consumer purchasing power.

Overall production of shrimp farmed in 2020 was 270,000 tonnes, down from about 290,000 tonnes of farmed shrimp in 2019 as a result of the epidemic problem. Uncertainty about the coronavirus disease situation (COVID-19) affecting the market and the price situation is expected in 2021 to produce 310,000 tons or increase by 15 percent. Thai shrimp production in 2020 is expected to produce 270,000 tons, a 7 percent decrease than last year (with shrimp production from the lower South 36 percent from the upper southern region, 32 percent from the eastern region, 21 percent and from the central region 11 percent)

Shrimp Industry Outlook 4Q2020

Outlook for the first quarter during January - February 2020, Agriculture still slows down new shrimp. In order to avoid the plague, the red and white Shrimp farming was released in March 2020 when the climate was quite suitable. The salinity of the water is rising Affects the survival rate and the growth of fully shrimps, which in many farms that have the potential of farming has been adjusted to increase the density in the culture 150,000-250,000 pcs/rai, but during the first quarter, the yield may drop 10-15% due to the continued decline in shrimp prices from 4Q2021, causing loss. These factors are still problems that cannot be solved. Including the problem of the baht that is too strong. As a result, they cannot be exported and compete. This makes it more difficult for small shrimp farmers to access capital. Lack of additional liquidity in production. The overall shrimp industry in 1Q had slowed in line with the global economy and negative factors from Thailand's shrimp that is higher than competitors in the world market and the baht value that continues to strengthen affecting the competitiveness in the world market and still have to face the problem of the COVID-19 epidemic for the second time, causing a decrease in domestic consumption. The output price may drop again after the previous depression. This causes the uncertainty of both the price and the market, thus delaying farming further. The lack of continuity of shrimp farming Affect the entire production cycle

Summary of Fish Farming Situation 4Q2020

The rearing situation still has problems. Although entering the rainy season, the amount of water above the dam increased somewhat, but not enough, especially in the North. And the Northeast, affecting the market in some areas as for natural water sources, the water level increases, better upbringing Most farmers raise 70% of tilapia as the market is more accommodating and popular with consumers, 20% catfish and 10% other fish.

Southern Thailand, Nakhon Si Thammarat Province and 3 Southern Provinces Damage from farming due to flooding and most common problems Is an epidemic infectious bacteria will have similar symptoms, there will be bleeding There are wounds on the body, eroding fins, swollen mastoid, water in the abdomen, do not eat food. The most common are two types of disease caused by aeromonas (*Aeromonas hydrophila*). Catfish, tilapia, frogs and other freshwater fish and streptococcus bacterial infection. (*Streptococcus* sp.) Tilapia infected with these bacteria. There will be cloudy and white eyes swimming slowly, still floating around the excretory channel. The Department of Fisheries encourages and provides academic knowledge as well as new innovations from the private sector, which enable farmers to manage Able to cope with disease

Fish prices rose, tilapia prices 70-75 baht / kg, catfish 45-48 baht / kg, while sea bass (beef fish) at the same depressing price as the third quarter, reduced to 55-60 baht / kg. due to oversupply of fish Draining fish is quite slow. Nowadays, consumers and tourists have decreased. As a consequence it is affecting fish prices for longer But the size of 700-900 grams of fish has increased 80-85 baht / kg.

Exports: Export volume of tilapia fish and products during the first six months of 2020 amounted to 3,602.2 tons, representing a value of Baht 123.0 million in both volume and value, a decrease of 33.8% and 41.2% respectively compared to the same period of 2019. The most exported tilapia was frozen whole tilapia, accounting for 67.6% of total export value, followed by chilled fresh fish 17.0%, live fish 9.0% and frozen fish fillet 6.4%, respectively. The main markets are the Middle East, 32.9%, ASEAN, 26.0%, the European Union, 17.7%, the United States, 17.3%, Japan 3.0%, and others 3.1%. Thai tilapia export volume decreased due to the situation of coronavirus disease 2019 (COVID-19) occurring in many major importing countries together with the baht appreciation affecting the competitiveness of Thai exports

Problems during the 4th quarter on fish species that were not sufficient to meet the needs of farmers. Lack of species of tilapia during low incubation rates, for example, during extreme summer temperatures. Low temperatures in winter Farmers still lack a good management system based on Good Aquaculture Practices (GAP) from hatchery, nursery to tilapia farming process

Most of the tilapia products are 95% domestically consumed and only 5% are exported in frozen whole tilapia form. Which is small in size, low in value It has a market share of the United States, the world's largest consumer, at a rate as low as 1% of the total value of tilapia products imported by the United States. Problems from the coronavirus disease situation (COVID-19), causing traders to reduce their trading volume causing a lot of tilapia fish left over at farmers farms Including products that will be released during various festivals which is the time when farmers sell the highest amount when the government postponed the holiday season, farmers were unable to distribute their produce to sell. Later on, the government has passed various measures. The output enters into the market normally which at some time the volume went into the market much more than demand

Fish Farming Trends 1Q2021

Outlook for 1Q Farming situation from the amount of rain that started to leave during the drought problems back again due to the fourth quarter of the fish, the amount of water in the dam tends to decline affect the farming and the market in some areas. For the central region, the amount of water drainage from the dam Kanchanaburi, down the amount of farming therefore remains constant and the amount of fry is not enough.

After the government has controlled the red areas. Where there is a COVID-19 outbreak causing the outbreak to decrease draining more products to the market Better than during 4Q2020 causing the fish price to be consistently high Farmers have therefore prepared a pond. And has expanded the fish cage especially farming with rich natural water sources such as the Mekong River and Tapi River Basin. which the farming is still the main tilapia as before

Summary of Pet Situation Quarter 4/2020

The pet food is still growing in the 4Q2020, even in the second round of the COVID-19 outbreak, the pet food market continued to expand because pets are consumed on a regular basis coupled with the care and attention to the importance of pets as family members. This resulted in the purchase of spare pet food as well as other essential items consistent with the statistics on exports of Thai pet food products to foreign countries. both neighboring countries in ASEAN, which are big markets such as China, India, Malaysia, Indonesia and Singapore, and countries in Europe and America, where exports are likely to increase. when compared to the 2Q2020.

Pet Food Trends Quarter 1Q2021

The domestic pet market is likely to grow 1-5% higher than the 4Q2020, in line with the current economic situation that has an improved trend. The nature of raising domestic animals still needs convenience and reduce the time of taking care of feeding. Therefore, ready meals are still popular, especially dry feed which accounts for 80% of the market and the remaining 20% is wet food.

Asian export market and Southeast Asia has a higher growth trend Especially the big markets in Asia such as India, China and Japan, which still have a high demand for pet food. The economy has less impact than other countries The European and American markets have been exported continuously. Perhaps it is due to the problem with the outbreak of COVID-19 causing more imports than exports. Therefore, in the first quarter of 2021, the export volume is expected to increase.

Yours sincerely,

PP Prime Public Company Limited

(M.L. Phanpiengduen Sungkahapong)

Director / Chief Executive Officer