



Management Discussion and Analysis for the Operating Results of the Third Quarter of 2022

Summary of Operating Performance

| Statement of Comprehensive Income | Consolidated Financial Statements (Reviewed) | | | |
|--|--|---------------|---------------------|---------------|
| | 9-month period 2022 | | 9-month period 2021 | |
| | Baht million | % | Baht million | % |
| Revenue from sales | 1,380.15 | 100.00% | 1,089.22 | 100.00% |
| Cost of sales | (1,106.62) | (80.18%) | (900.89) | (82.71%) |
| Gross profit | 273.53 | 19.82% | 188.33 | 17.29% |
| Other income | 7.99 | 0.58% | 7.70 | 0.71% |
| Gain/(Loss) from exchange rate | 42.13 | 3.05% | 41.70 | 3.83% |
| Operating profit | 323.65 | 23.45% | 237.73 | 21.83% |
| Selling and distribution expenses | (51.54) | (3.74%) | (38.15) | (3.50%) |
| Administrative expenses | (117.35) | (8.50%) | (114.52) | (10.52%) |
| Earning before Finance cost and Tax | 154.76 | 11.21% | 85.06 | 7.81% |
| Finance income | 0.09 | 0.01% | 0.02 | 0.00% |
| Finance cost | (12.15) | (0.88%) | (10.34) | (0.95%) |
| Profit before income tax expenses | 142.70 | 10.34% | 74.74 | 6.86% |
| Income tax expenses | (31.76) | (2.30%) | (15.78) | (1.45%) |
| Profit for the period | 110.94 | 8.04% | 58.96 | 5.41% |

Remark: Other incomes include export compensation, gain from disposal of fixed assets, sales of scraps, gain from fair value of derivatives, gain from change in fair value of investment property, and interest.

Revenue Structure

| Revenue categorized by product type | 9-month period 2022 | | 9-month period 2021 | |
|-------------------------------------|---------------------|----------------|---------------------|----------------|
| | Baht million | % | Baht million | % |
| Sales | | | | |
| 1. Dehydrated fruits | | | | |
| Domestic | 311.84 | 21.80% | 247.11 | 21.70% |
| International | 900.99 | 63.00% | 717.86 | 63.05% |
| 2. Canned fish | | | | |
| Domestic | 21.99 | 1.54% | 41.31 | 3.63% |
| International | 138.35 | 9.67% | 76.97 | 6.76% |
| 3. Healthy snacks | | | | |
| Domestic | 2.50 | 0.17% | 1.12 | 0.10% |
| International | 4.48 | 0.31% | 4.85 | 0.43% |
| Total sales | 1,380.15 | 96.49% | 1,089.22 | 95.66% |
| Other income | 50.22 | 3.51% | 49.42 | 4.34% |
| Total revenue | 1,430.37 | 100.00% | 1,138.64 | 100.00% |



| Revenue Structure (Sales by product type) | 9-month period 2022 | | 9-month period 2021 | |
|---|---------------------|----------------|---------------------|----------------|
| | Baht million | % | Baht million | % |
| 1. Dehydrated fruits | 1,212.83 | 87.88% | 964.98 | 88.59% |
| 2. Canned fish | 160.34 | 11.62% | 118.28 | 10.86% |
| 3. Healthy snacks | 6.98 | 0.50% | 5.96 | 0.55% |
| Total revenue from sales | 1,380.15 | 100.00% | 1,089.22 | 100.00% |

For nine-month periods ended 30 September 2021 and 2022, the Company reported total revenue of Baht 1,089.22 million and Baht 1,380.15 million, respectively, increased by Baht 290.93 million or equivalent to 26.71 percent. Over 87.88 percent of major revenue was generated from dehydrated fruit products which had been increased by Baht 247.85 million or 25.68 percent. The said increase combined an increase of domestic sale at Baht 64.73 million or equivalent to 26.19 percent and an increase of international sale at Baht 183.13 million or equivalent to 25.51 percent compared to the same period in the previous year. Given the fact that in early 2022, the shortage of ships and containers for international shipping service has eased due to China's lockdown. In accordance with Zero-COVID Policy, China's demand for ships and containers had been decreased. In addition, the situation of the COVID-19 pandemic in Thailand began to unravel owing to the government's policy to allow foreign tourists to travel in the country since the fourth quarter of 2021. In consequence, the Company has significant growth in revenue from sales during the nine-month of 2021.

Cost of Goods Sold and Gross Profit

| Products | 9-month period 2022 | | 9-month period 2021 | |
|----------------------------|---------------------|---------------|---------------------|---------------|
| | Baht million | % of Sales | Baht million | % of Sales |
| 1. Dehydrated fruits | 963.23 | 79.42% | 795.91 | 82.48% |
| 2. Canned fish | 136.72 | 85.27% | 101.11 | 85.48% |
| 3. Healthy snacks | 6.67 | 95.56% | 3.87 | 64.93% |
| Total cost of sales | 1,106.62 | 80.18% | 900.89 | 82.71% |
| Gross Profit | 273.53 | 19.82% | 188.33 | 17.29% |

Cost of goods sold consists of the cost of raw materials, production labor cost, electricity and fuel costs in the factory, depreciation of factory building/machinery/equipment, cost of consumables and packaging cost.

For the nine-month period of 2022, the Company had gross profit of Baht 273.53 million and gross profit margin of 19.82 percent. This was higher than the same period of the previous year when the gross profit was at Baht 188.33 million and gross profit margin only at 17.29 percent. The increase was due to the Company's higher revenue from sales and gross profitability compared to the same period of the previous year. Since price of mangoes, as mainly raw material for dehydrated fruit production in the 2022, was more competitive compared to



the previous year. Consequently, cost of production per unit had been decreased and resulted in a better gross margin. In addition, the gross profit margin for the nine-month period of 2022 also increased due to the Company's average product cost per unit decreased to normal level. In the nine-month period of 2021, the Company's average cost per unit sold was higher than usual since the management considered approving additional bonus expense at the end of 2020 as the company was less affected by the COVID-19 pandemic than expected. The additional bonus expense for the production employees was, therefore, accounted for the cost of inventories sold after such expense are taken into account. This incremental cost was charged to the cost of inventories at the end of 2020, resulting in the cost of inventories per unit lot being higher than the cost of the previous lot of inventories. Later, when the Company sold such lot of goods in the nine-month period of 2021, it recognized the cost of inventories as cost of sales for the nine-month period of 2021 (item in the income statement) and reflected in gross profit. However, the nine-month period of 2022 had no such event, therefore, the gross margin had been improved.

Selling and Administrative Expenses

For the nine-month period of 2022, the Company had sales and distribution expenses equal to Baht 51.54 million, increased by Baht 13.39 million or equivalent to 35.08 percent compared to the same period of the previous year. Furthermore, for the nine-month period of 2022, sales and distribution expenses were accounted for 3.74 percent compared to 3.50 percent in the same period of the previous year, derived from an increase in cost of participating in exhibitions since the global COVID-19 pandemic had been improving, and exhibitions had taken place in Thailand and abroad. This also included an increase of shipping costs and commission as revenue from sales increased in this period.

For the nine-month period of 2022, the Company had administrative expenses of Baht 117.35 million, increased by Baht 2.83 million or 2.47 percent compared to the same period of the previous year. This was mainly due to an increase in employee-related expenses i.e., salaries, employee bonus estimates for the year 2022, employee benefits related to training/seminars, health checkup, field hospital equipment and the COVID-19 Antigen Test Kit, and the increase of expenses related to the Company's listing on the Stock Exchange of Thailand.

Net Profit and Net Profit Margin

For the nine-month period of 2022, the Company had a net profit equaling to Baht 110.94 million, representing a net profit margin of 8.04 percent. While during the same period of the previous year, the Company's net profit was at Baht 58.96 million, representing a net profit margin of 5.41 percent. The increase of net profit and net profit margin was due to higher revenue from sales and gross profit margin for dehydrated fruits which is the major revenue as previously mentioned.