

Management Discussion and Analysis for the Third Quarter Ended 30 September 2022

Summary of Operating Performance

For three-month period ended 30 September 2022

Statement of Comprehensive Income	Consolidated Financial Statements (Reviewed)			
	3-month period 2022		3-month period 2021	
	Baht million	%	Baht million	%
Revenue from sales	470.11	100.00%	363.03	100.00%
Cost of sales	(372.96)	(79.33%)	(280.43)	(77.25%)
<b>Gross profit</b>	<b>97.15</b>	<b>20.67%</b>	<b>82.60</b>	<b>22.75%</b>
Other income	2.75	0.58%	3.00	0.83%
Gain/(Loss) from exchange rate	21.15	4.50%	17.67	4.87%
<b>Operating profit</b>	<b>121.05</b>	<b>25.75%</b>	<b>103.27</b>	<b>28.45%</b>
Selling and distribution expenses	(16.84)	(3.58%)	(15.11)	(4.16%)
Administrative expenses	(42.94)	(9.13%)	(47.42)	(13.07%)
<b>Earning before Finance cost and Tax</b>	<b>61.27</b>	<b>13.04%</b>	<b>40.74</b>	<b>11.22%</b>
Finance income	0.00	0.00%	0.00	0.00%
Finance cost	(4.35)	(0.93%)	(3.72)	(1.02%)
<b>Profit before income tax expenses</b>	<b>56.92</b>	<b>12.11%</b>	<b>37.02</b>	<b>10.20%</b>
Income tax expenses	(13.32)	(2.83%)	(6.32)	(1.74%)
<b>Profit for the period</b>	<b>43.60</b>	<b>9.28%</b>	<b>30.70</b>	<b>8.46%</b>

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.

For nine-month period ended 30 September 2022

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%)
<b>Gross profit</b>	<b>273.53</b>	<b>19.82%</b>	<b>188.33</b>	<b>17.29%</b>
Other income	7.99	0.58%	7.70	0.71%
Gain/(Loss) from exchange rate	42.13	3.05%	41.70	3.83%
<b>Operating profit</b>	<b>323.65</b>	<b>23.45%</b>	<b>237.73</b>	<b>21.83%</b>
Selling and distribution expenses	(51.54)	(3.74%)	(38.15)	(3.50%)



Statement of Comprehensive Income	Consolidated Financial Statements (Reviewed)			
	9-month period 2022		9-month period 2021	
	Baht million	%	Baht million	%
Administrative expenses	(117.35)	(8.50%)	(114.52)	(10.52%)
<b>Earning before Finance cost and Tax</b>	<b>154.76</b>	<b>11.21%</b>	<b>85.06</b>	<b>7.81%</b>
Finance income	0.09	0.01%	0.02	0.00%
Finance cost	(12.15)	(0.88%)	(10.34)	(0.95%)
<b>Profit before income tax expenses</b>	<b>142.70</b>	<b>10.34%</b>	<b>74.74</b>	<b>6.86%</b>
Income tax expenses	(31.76)	(2.30%)	(15.78)	(1.45%)
<b>Profit for the period</b>	<b>110.94</b>	<b>8.04%</b>	<b>58.96</b>	<b>5.41%</b>

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	3-month period 22		3-month period 21		9-month period 22		9-month period 21	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
Sales								
1. Dehydrated fruits								
Domestic	75.75	15.33%	53.45	13.93%	311.84	21.80%	247.11	21.70%
International	321.29	65.03%	269.36	70.20%	900.99	63.00%	717.86	63.05%
2. Canned fish								
Domestic	6.44	1.30%	15.10	3.94%	21.99	1.54%	41.31	3.63%
International	63.64	12.89%	21.11	5.50%	138.35	9.67%	76.97	6.76%
3. Healthy snacks								
Domestic	0.29	0.06%	0.56	0.15%	2.50	0.17%	1.12	0.10%
International	2.70	0.55%	3.45	0.90%	4.48	0.31%	4.85	0.42%
<b>Total sales</b>	<b>470.11</b>	<b>95.16%</b>	<b>363.03</b>	<b>94.62%</b>	<b>1,380.15</b>	<b>96.49%</b>	<b>1,089.22</b>	<b>95.66%</b>
Other income	23.90	4.84%	20.67	5.38%	50.22	3.51%	49.42	4.34%
<b>Total revenue</b>	<b>494.01</b>	<b>100.00%</b>	<b>383.70</b>	<b>100.00%</b>	<b>1,430.37</b>	<b>100.00%</b>	<b>1,138.64</b>	<b>100.00%</b>

Revenue Structure (Sales by product type)	3-month period 22		3-month period 21		9-month period 22		9-month period 21	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
1. Dehydrated fruits	397.04	84.46%	322.81	88.92%	1,212.83	87.88%	964.98	88.59%
2. Canned fish	70.08	14.91%	36.21	9.98%	160.34	11.62%	118.28	10.86%
3. Healthy snacks	2.99	0.63%	4.01	1.10%	6.98	0.50%	5.96	0.55%
<b>Total revenue from sale:</b>	<b>470.11</b>	<b>100.00%</b>	<b>363.03</b>	<b>100.00%</b>	<b>1,380.15</b>	<b>100.00%</b>	<b>1,089.22</b>	<b>100.00%</b>



For the third quarter in 2021 and 2022, the Company reported total revenue of Baht 363.03 million and Baht 470.11 million, respectively, increased by Baht 107.08 million or equivalent to 29.50 percent. Over 84.46 percent of major revenue was generated from dehydrated fruit products which had been increased by Baht 74.23 million or 22.99 percent. The said increase combined an increase of domestic sale at Baht 22.30 million or equivalent to 41.72 percent and an increase of international sale at Baht 51.93 million or equivalent to 19.28 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 in the third quarter of 2021.

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	3-month period 22		3-month period 21		9-month period 22		9-month period 21	
	Baht million	%	Baht million	%	Baht million	%	Baht million	%
1. Dehydrated fruits	312.99	66.58%	247.49	68.17%	963.23	69.79%	795.91	73.07%
2. Canned fish	57.23	12.17%	31.12	8.58%	136.72	9.91%	101.11	9.28%
3. Healthy snacks	2.74	0.58%	1.82	0.50%	6.67	0.48%	3.87	0.36%
<b>Total cost of sales</b>	<b>372.96</b>	<b>79.33%</b>	<b>280.43</b>	<b>77.25%</b>	<b>1,106.62</b>	<b>80.18%</b>	<b>900.89</b>	<b>82.71%</b>
<b>Gross Profit</b>	<b>97.15</b>	<b>20.67%</b>	<b>82.60</b>	<b>22.75%</b>	<b>273.53</b>	<b>19.82%</b>	<b>188.33</b>	<b>17.29%</b>

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.

In the third quarter of 2022, the company had a gross profit of Baht 97.15 million, which was higher than the third quarter of 2021 with a gross profit of Baht 82.60 million but in the third quarter of 2022, the gross profit margin was 20.67



percent, lower than the third quarter of the previous year with a gross margin of 22.75 percent. The reason for the increase in gross profit but the decrease in gross profit was that the Company distributed semi-finished products purchased from subsidiaries and other companies as to meet the volume of customers' orders. The prices of semi-finished products from subsidiaries and other companies have higher cost than those produced by the Company itself. Consequently, the gross margin decreased compared to the same period last year.

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

In the third quarter of 2022, the Company had sales and distribution expenses equal to Baht 16.84 million, an increase of Baht 1.73 million or 11.45 percent compared to the same period of the previous year. Sales at the rate of 3.58 percent, which is a slight decrease when compared to the three-month period of 2021, which has a proportion of sales at the rate of 4.16 percent due to the three-month period of 2022, the subsidiary has shipped products to sell abroad. Thus, causing an increase in export costs. In the same period of the three-month period of 2021, there was no such event. This resulted in a slight increase in selling and distribution expenses compared to the previous year.

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.

In the third quarter of 2022, the Company had administrative expenses of Baht 42.94 million, a decrease in Baht 4.48 million or 9.45 percent compared to the same period of the previous year. This is mainly due to the outbreak of the Covid-19 epidemic during the third quarter of the year, resulting in the company having to make Bubble and Seal and halt some production. As a result, in the third quarter of the year, the company had the opportunity cost expenses to be added to the administrative expenses, but in the third quarter of 2022, the covid situation returned to ease. Therefore, the same event did not occur as the previous year. As a result, administrative expenses are reduced.

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

In the third quarter of 2022, the Company had a net profit of Baht 43.60 million, representing a net profit margin of 9.28 percent, higher than the same period of the previous year. The company's net profit was Baht 30.70 million, representing a net profit margin of 8.46 percent. The net profit and net profit margin increased from the increase in sales revenue. and a reduction in administrative expense.

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.