



Management Discussion and Analysis for the Operating Results of the Year 2022 ended 31 December 2022

Summary of Operating Performance

Statement of Comprehensive Income	Consolidated Financial Statements (Reviewed)			
	Year 2022		Year 2021	
	Baht million	%	Baht million	%
Revenue from sales	1,831.35	100.00%	1,442.28	100.00%
Cost of sales	(1,488.54)	81.28%	(1,182.55)	(81.99%)
Gross profit	342.81	18.72%	259.72	18.01%
Other income	9.05	0.49%	13.12	0.91%
Gain/(Loss) from exchange rate	23.83	1.30%	38.55	2.67%
Operating profit	375.69	20.51%	311.40	21.59%
Selling and distribution expenses	(65.56)	(3.58%)	(51.43)	(3.57%)
Administrative expenses	(165.42)	(9.03%)	(159.53)	(11.06%)
Earning before Finance cost and Tax	144.71	7.90%	100.44	6.96%
Finance income	0.15	0.01%	0.05	0.00%
Finance cost	(15.00)	(0.82%)	(14.12)	(0.98%)
Profit before income tax expenses	129.86	7.09%	86.37	5.99%
Income tax expenses	(26.59)	(1.45%)	(19.30)	(1.34%)
Profit for the period	103.27	5.64%	67.07	4.65%

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	Year 2022		Year 2021	
	Baht million	%	Baht million	%
Sales				
1. Dehydrated fruits				
Domestic	479.94	25.74%	323.80	21.67%
International	1,121.47	60.15%	940.56	62.96%
2. Canned fish				
Domestic	32.99	1.77%	54.77	3.67%
International	186.94	10.03%	116.89	7.82%
3. Healthy snacks				
Domestic	5.39	0.29%	1.41	0.09%
International	4.62	0.25%	4.85	0.33%
Total sales	1,831.35	98.23%	1,442.28	96.54%
Other income	33.03	1.77%	51.72	3.46%
Total revenue	1,864.38	100.00%	1,494.00	100.00%



Revenue Structure (Sales by product type)	Year 2022		Year 2021	
	Baht million	%	Baht million	%
1. Dehydrated fruits	1,601.41	85.90%	1,264.36	84.63%
2. Canned fish	219.93	11.79%	171.66	11.49%
3. Healthy snacks	10.01	0.54%	6.26	0.41%
Total revenue from sales	1,831.35	98.23%	1,442.28	96.54%

For the year 2021 and 2022, the Company reported total revenue of Baht 1,442.28 million and Baht 1,831.35 million, respectively, increased by Baht 389.07 million or equivalent to 26.98 percent. Over 85.90 percent of major revenue was generated from dehydrated fruit products which had been increased by Baht 337.05 million or 26.66 percent. The said increase combined an increase of domestic sale at Baht 156.14 million or equivalent to 48.22 percent and an increase of international sale at Baht 180.91 million or equivalent to 19.23 percent compared to the previous year. Given the fact that in early of the year 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 2021.

Cost of Goods Sold and Gross Profit

Products	Year 2022		Year 2021	
	Baht million	% of Sales	Baht million	% of Sales
1. Dehydrated fruits	1,291.25	80.63%	1,030.12	81.47%
2. Canned fish	188.53	85.72%	147.73	86.06%
3. Healthy snacks	8.76	87.51%	6.12	97.80%
Total cost of sales	1,488.54	81.28%	1,183.97	82.09%
Gross Profit	342.81	18.72%	259.72	18.01%

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 2022, the Company had gross profit of Baht 342.81 million and gross profit margin of 18.72 percent. This was higher than the previous year when the gross profit was at Baht 259.72 million and gross profit margin only at 18.01 percent. The increase was due to the Company's higher revenue from sales and gross profitability compared last 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 of 2022 also increased due to the

Company's average product cost per unit decreased to normal level. In 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 2021, it recognized the cost of inventories as cost of sales of 2021 and reflected in gross profit. However, in 2022, there were no such event occurred. Therefore, the gross margin had been improved.

Selling and Administrative Expenses

In 2022, the Company had sales and distribution expenses equal to Baht 65.56 million, increased by Baht 14.13 million or equivalent to 27.47 percent compared to the previous year. Furthermore, sales and distribution expenses were slightly accounted for 3.58 percent compared to 3.57 percent in 2021, 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 2022.

In 2022, the Company had administrative expenses of Baht 165.42 million, increased by Baht 5.89 million or 3.69 percent compared to the same period of the previous year. This was mainly due to a decrease of employee-related expenses i.e., employee bonus estimates for employees of the Company' subsidiaries, 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 2022, the Company had a net profit equaling to Baht 103.27 million, representing a net profit margin of 5.64 percent. While in 2021, the Company's net profit was at Baht 67.07 million, representing a net profit margin of 4.65 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.