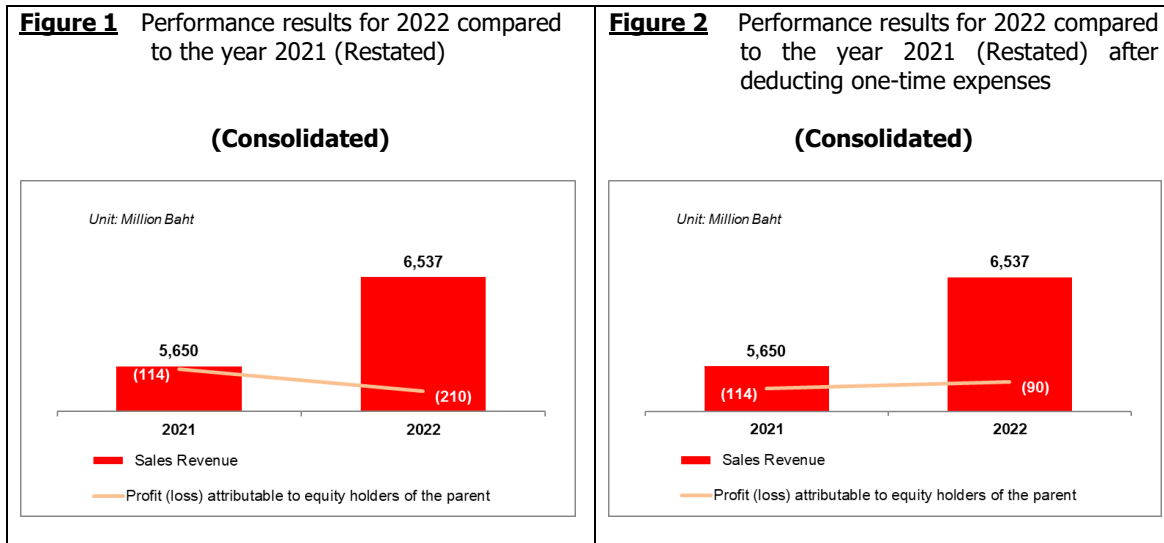


**Malee Group Public Company Limited and Its Subsidiaries
Management Discussion and Analysis
For the year ended 31 December 2022**



1. Year 2022 Highlights

- In Q4/2022, the Company completed its shareholding and organization restructuring by purchasing 97.73% of Abico Holdings Public Company Limited (ABICO) securities, resulting in a financial statement consolidation from the end of 2022 onwards. The pro forma financial statements for the year 2021 are provided for comparison.



- In 2022, the Company and its subsidiaries recorded total sales of Baht 6,537 million, an increase of 16% YoY from both Domestic and Export Business sales incremental by 12% YoY and 26% YoY, respectively.

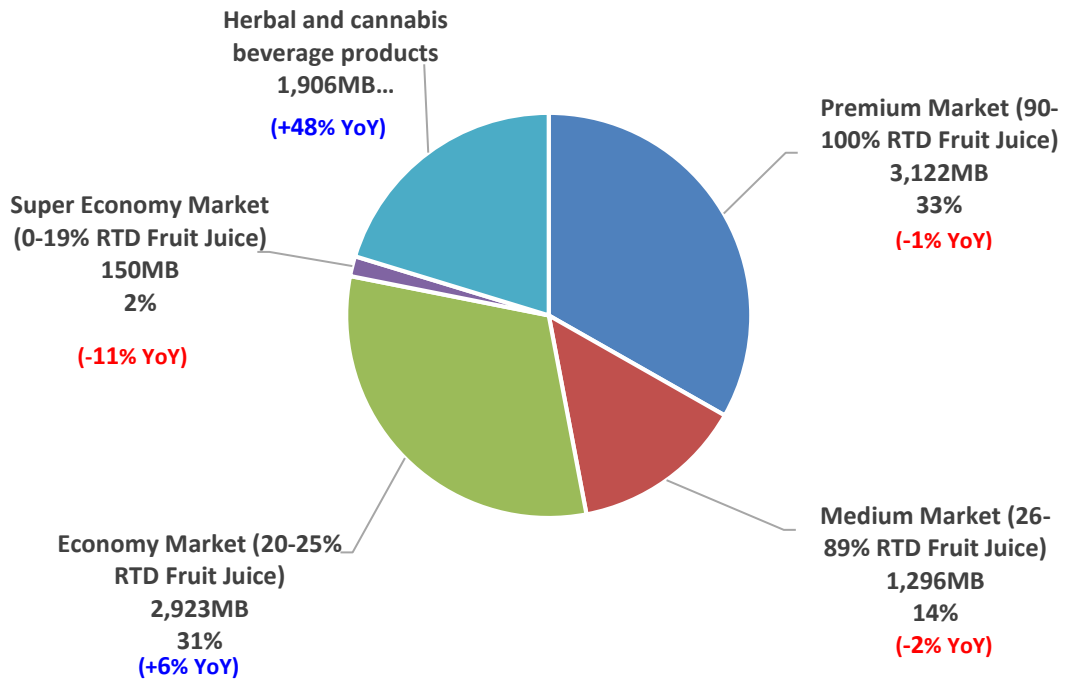
- In 2022, the Company and its subsidiaries recorded a net loss of Baht 210 million, an increase from the same period of 2021 that recognized a net loss of Baht 114 million, due to one-time expenses; e.g., the administrative expenses for restructuring to merge Abico Holdings Public Company Limited, administrative expenses relating to personnel restructuring, the loss on impairment of trademarks of subsidiaries in Vietnam (non-cash item), and deferred corporate income tax reversal (non-cash item) totaling an increment of Baht 120 million.

- In 2022 the Company and its subsidiaries recognized a net loss of Baht 90 million, excluding the four one-time expenses, meaning a decrease in net loss and 21% improved performance compared to the Year 2021.

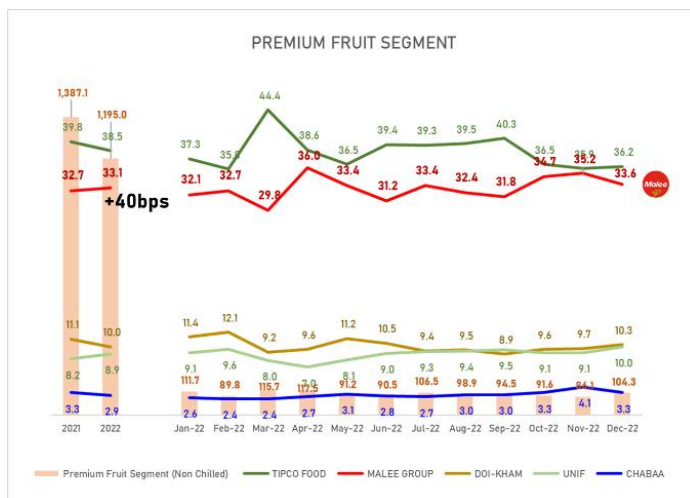
2. Overview of Domestic Ready-to-Drink Fruit Juice Market

In 2022, Total of domestic RTD fruit juice market was Baht 9,398 million, an increase of 8% YoY. RTD fruit juice market value and growth is as shown as below.

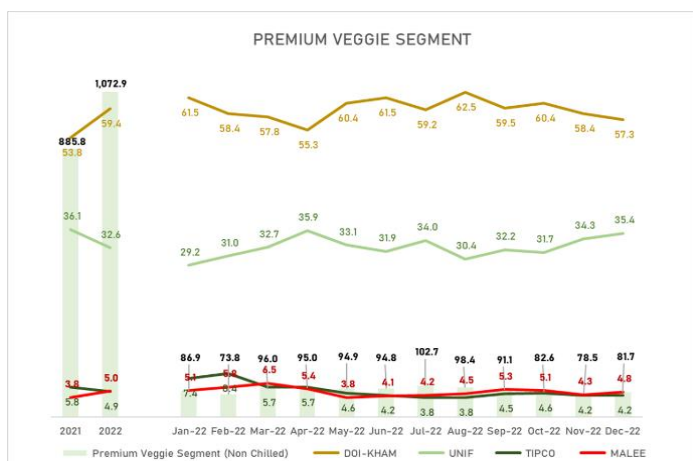
(Source: Nielsen)



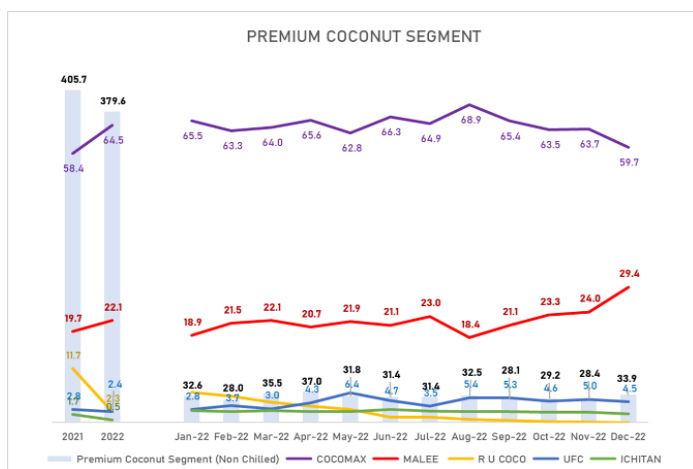
Nevertheless, in 2022, Branded business recognized a positive outcome from product improvement and marketing campaign as shown in market share grew in every product category as illustrated:



- Premium fruit juice recorded Year 2022 market share increase to 33.1% compared to 32.7% in Year 2021.



- Vegetable juice gained Year 2022 market share increase to 5.0% compared to 3.8% in Year 2021.



- Premium coconut water gained Year 2022 market share increase to 22.1% compared to 19.7% in Year 2021.

3. Results of Operations and Profitability

Consolidated financial statements

(Unit : Baht Million)	2022	2021 (Restated)	%YoY
Revenues from sales and services	6,537	5,650	+16%
Cost of goods sold and services	5,456	4,643	+18%
Gross profit	1,081	1,007	+7%
<i>% gross profit</i>	16.5%	17.8%	
Selling expenses	474	435	+9%
<i>% selling expenses to sales</i>	7.2%	7.7%	
Administrative expenses	576	565	+2%
<i>% Administrative expenses to sales</i>	8.8%	10.0%	
Finance costs	85	82	+4%
Share of profit (loss) from investment in subsidiaries and JV	(0)	(6)	+93%
Corporate income tax (reversal)	(113)	7	-1,733%
Net profit (loss) attributable to the Company's shareholders	(210)	(114)	-84%
<i>% net profit (loss)</i>	(3.2%)	(2.0%)	

Year 2022 Sales Revenue

The Company and its subsidiaries recorded sales revenue of Baht 6,537 million, an increase of 16% YoY. Details are as follows:

	Year End 31 December		ChangeChange	
	2022	2021 (Restated)	Increase (decrease)	%
Agricultural products	6,474	5,590	884	15.8
Agriculture and Dairy Farm	63	60	3	5.0
Total	6,537	5,650	887	15.7

Remarks

- Agricultural products include fruit juice beverage, canned fruit, tea, coffee and dairy products.
- Agriculture and dairy farm include raw milk and dairy cow.

Agricultural products

- Domestic Branded Business sales increased 16% YoY.
- Export Branded Business sales increased 29% YoY.
- Total Contract Manufacturing Business (CMG) total sales increased 13% YoY.

Agriculture and dairy farm

- Revenue from dairy farm increased 5% YoY.

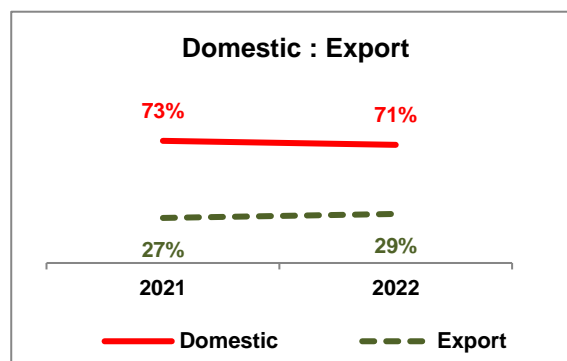
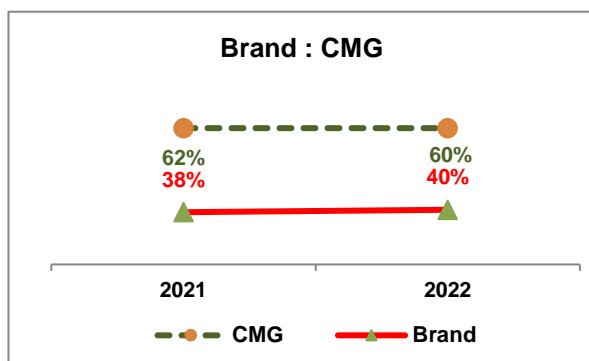
Sales breakdown by business and geography are as follows:

Sales Breakdown by Business:

- Brand: Baht 2,596 million, increased 21% YoY.
- CMG: Baht 3,877 million, increased 13% YoY.
- Sales ratio of Brand:CMG was 40:60 compared with 38:62 in the same period of the previous year.

Sales Breakdown by Geography:

- Domestic: Baht 4,619 million, grew 12% YoY.
- Export: Baht 1,918 million, grew 26% YoY.
- Sales ratio of Domestic:Export was 71:29, compared with 73:27 in the same period of the previous year.



Year 2022 Cost of Goods Sold

The Company and its subsidiaries recorded cost of goods sold of Baht 5,456 million, an increase of 18% YoY. Cost of goods sold to sales increased to 83.5% from 82.2%, mainly due to a significant increase of almost raw materials.

Year 2022 Gross Profit

The Company and its subsidiaries recorded gross profit of Baht 1,081 million, an increase of 7% YoY, which represented a gross profit margin of 16.5%, a reduction from 17.8% in 2021. This was mainly due to a significant increase of almost raw materials. However, the Company increased product price in August 2022. Thus, the gross profit increase result will yield in 2023.

Year 2022 Selling Expenses

The Company and its subsidiaries recorded selling expenses of Baht 474 million, an increase of 9% YoY, mainly due to an increase in sales volume. The selling expense to sales ratio decreased 7.2% versus 7.7% in 2021. This mainly resulted from an efficient selling expense control and increased sales.

Year 2022 Administrative Expenses

The Company and its subsidiaries recorded administrative expenses of Baht 576 million, an increase 2% YoY. Administrative expense to sales ratio decreased from 10.0% in the same period of the previous year to 8.8%. This was mainly due to efficient administrative expense control and increased sales, although there was an increase in the one-time professional fee for the shareholding restructuring.

Year 2022 Finance Costs

The Company and its subsidiaries recorded finance costs of Baht 85 million in 2022 compared to Baht 82 million in 2021, an increase of 4% YoY. This resulted from the rising interest rates of loans from financial institutions.

Year 2022 Net Profit (Loss) Attributable to Equity Holders of the Company

The Company and its subsidiaries recorded a net loss of Baht 210 million in 2022 versus Baht 114 million net loss in 2021. This was an impact from an upsurge of cost of goods, raw materials, packaging, utilities, and transportation as a consequence of rising oil prices. However, this increment of loss has resulted from the one-time expenses e.g., the administrative expenses for restructuring to merge Abico Holdings Public Company Limited, administrative expenses relating to personnel restructuring, the loss on impairment of trademarks of subsidiaries in Vietnam (non-cash item), and deferred corporate income tax reversal (non-cash item) totaling an increment of Baht 120 million.

In 2022 the Company and its subsidiaries recognized a net loss of Baht 90 million, excluding the four one-time expenses, meaning a decrease in net loss and 21% improved performance compared to the Year 2021.

4. Financial Position of the Company and its Subsidiaries

(Unit: Baht Million)	31 December 2022	31 December 2021 (Restate)	% Change
Cash and cash equivalents	98	126	(21.9%)
Account receivables	1,172	1,086	8.0%
Inventories	835	706	18.3%
Other current assets	97	85	14.1%
Total current assets	2,203	2,002	10.0%
Property, plant and equipment	2,368	2,339	1.2%
Goodwill	56	55	2.9%
Investments in joint venture	14	14	2.2%
Biological assets – dairy cow	50	50	1.0%
Right to claim from the former shareholder	35	35	(0.1%)
Other non-current assets	892	1,011	(11.8%)
Total non-current assets	3,416	3,504	(2.5%)
Total Assets	5,619	5,506	2.0%
Bank overdrafts and short-term loans from financial institutions	1,400	1,348	3.8%
Account payables	878	638	37.7%
Advances received from customers	52	83	(37.1%)
Current portion of long-term loans from financial institutions	46	88	(47.9%)
Current portion of liabilities under financial lease agreements	69	72	(4.8%)
Other non-current liabilities	398	395	0.7%
Total Current Liabilities	2,843	2,624	8.3%
Long-term loans, net of current portion from financial institutions	774	833	(7.0%)
Liabilities under financial lease agreements, net of current portion	182	204	(10.7%)
Other non-current liabilities	323	302	6.8%
Total Non-current Liabilities	1,279	1,338	(4.5%)
Total Liabilities	4,122	3,963	4.0%
Authorized share capital	276	138	97.7%
Issued and fully paid-up share capital	273	138	97.7%
Share premium	1,362	0	-
Deficit from business combination under common control	(355)	0	-
Treasury stock	(452)	(452)	0.0%
Retained earnings	51	252	(79.6%)
Other components of equity	533	254	109.8%
Equity of Parent Company's S/H	1,412	192	635.7%
Equity attributable to shareholders of the subsidiaries before business combination under common control	-	1,240	(100.0%)
Non-controlling interests of the subsidiaries	85	112	(24.4%)
Total Shareholders' Equity	1,497	1,544	(3.0%)
Total Liabilities and S/Hs' Equity	5,619	5,506	2.0%

Assets

As at 31 December 2022, the Company and its subsidiaries had total assets of Baht 5,619 million, an increase of 2.04% from Baht 5,506 million as of 31 December 2021. The main factors were the increase in account receivables, inventories, and other current assets including a decrease cash and cash equivalents.

Liabilities

As at 31 December 2022, the Company and its subsidiaries had total Liabilities of Baht 4,122 million, an increase of 4.0% from Baht 3,963 million as of 31 December 2021, mainly due to an increase in account payables, other non-current liabilities, the decrease of advances from customers and current portion of liabilities under financial lease agreements.

Shareholders' Equity

As at 31 December 2022, the Company and its subsidiaries had total equity of the parent company's shareholders of Baht 1,497 million, a decrease of 3.0% from Baht 1,544 million as of 31 December 2021, mainly due to Year 2022 net loss.

5. Liquidity and Capital Resources**Current Ratio**

As at 31 December 2022, the Company and its subsidiaries recorded current ratio of 0.77x, increased to an approximate 0.76x of 31 December 2021 (Restated) but increased to 0.09x compared to 0.68x at the end of 2021 (before the restructuring).

Debt to Equity Ratio

As at 31 December 2022, the Company and Its subsidiaries recorded Interest-bearing debt to equity ratio of 1.59x, decreasing from 1.61x as of 31 December 2021 (Restated) but decreased to 1.50x compared to 3.09x as of 31 December 2021 (before the restructuring).

Consolidated	2022	2021 (Restated)	2021 (Pre Restated)
Current Ratio (Times)	0.77	0.76	0.68
Interest-bearing Debt to Equity (Times)	1.59	1.61	3.09

Cash Flow

(Unit: Baht Million)	2022	2021 (Restated)	% Change	2021 (Prestated)	% Change
Profit (loss) from operating activities before changes in operating assets and liabilities	319	275	16.0%	95	235.8%
Profit (loss) from changes in operating assets and liabilities	(139)	(73)	(89.9%)	(21)	(563.0%)
Net Cash flows from (used in) operating activities	180	202	(10.9%)	74	143.0%
Cash received from Sale of biological assets – dairy cow	6	7	(9.1%)	-	-
Acquisition of equipment	5	3	94.5%	2	146.6%
Cash paid for equipment	(75)	(54)	(39.7%)	(34)	(121.7%)
Cash paid for intangible assets	(3)	(3)	(3.9%)	(3)	(11.4%)
Net Cash flows from (used in) investing activities	(68)	(48)	(41.7%)	(34)	(98.7%)
Increase (decrease) in bank overdraft and short-term loans from financial institutions	21	46	(54.3%)	46	(54.3%)
Cash received from short-term loans from financial institutions	3,304	3,176	4.0%	2,811	17.5%
Cash paid for short-term loans from financial institutions	(3,274)	(3,121)	(4.9%)	(2,833)	(15.6%)
Cash received from long-term loans from financial institutions	20	11	84.0%	-	-
Cash paid for long-term loans from financial institutions	(121)	(161)	24.9%	(16)	(653.8%)
Cash paid for principal of the lease liabilities	(81)	(65)	(25.6%)	(39)	(108.3%)
Cash paid for dividend (before restructuring)	(11)	(1)	(957.4%)	-	-
Net Cash flows from (used in) financing activities	(141)	(114)	(23.6%)	(31)	(356.3%)
Exchange differences on translating financial statements	2	(12)	114.7%	(12)	114.7%
Net increase (decrease) in cash and cash equivalents	(27)	28	(198.3%)	(3)	(815.6%)
Cash and cash equivalents at beginning of periods	126	98	28.6%	84	49.5%
Cash and cash equivalents at end of periods	98	126	(21.9%)	80	22.6%

In 2022, the Company and its subsidiaries recorded ending cash of Baht 98 million, a decline of Baht 126 million in 2021 (Restated) but increased of Baht 18 million in 2021 (before the restructuring), with details as follows:

- **Net cash received from operating activities of Baht 180 million**, consisting of (1) cash inflows from operating activities before changes in operating assets and liabilities of Baht 319 million; and (2) cash inflows from changes in operating assets and liability (used in) of Baht 139 million.
- **Net cash in investing activities of Baht 68 million**, consisting of (1) Cash received from Sale of biological assets – dairy cow of Baht 6 million; (2) Cash paid for equipment of Baht 70 million and (3) Cash paid for intangible assets of Baht 3 million.
- **Net cash flows (used in) in financing activities of Baht 141 million**, comprising of (1) Net Cash flows from (used in) investing activities of Baht 21 million; (2) Cash received from short-term loans from financial institutions of Baht 3,304 million; (3) Cash paid for short-term loans from financial institutions of Baht 3,274 million; (4) Cash paid for long-term loans from financial institutions of Baht 101 million; (5) Cash paid for principal of the lease liabilities of Baht 81 million; and Cash paid for dividend before restructuring of Baht 11 million.

6. Forward Looking

In Q4/2022, the Company encompassed 2 important developments:

1. The board of directors approved the appointment of a new Chief Executive Officer (CEO), Mr. Rajdev Narula who has extended experiences within the FMCG industry both in Thailand and on a regional level as well as in beverage business.
2. The Company has completed the shareholding and organization restructuring by acquiring 97.73% securities of Abico Holdings Public Company Limited (ABICO), a company comprised of various businesses with its core focus and extensive experiences with high quality standard in a dairy product contract manufacturing services to serve many leading global customers.

In Q4/2022, living condition returned to normal as before the Covid-19 pandemic. However, the more intense and ongoing Russia-Ukraine war together with a hike in energy prices and inflation across the globe since early 2022 forced many countries to raise interest rates. These factors have led to extremely high cost of raw materials, every product, and transportation. However, the Company increased product price in August 2022. Thus, the gross sales increase result will yield in 2023.

It is expected to see a potential favorable trend in 2023 as indicated by a positive sign of steady and some lower prices of commodity goods, energy, and some raw materials. Domestic and international travel stimulating domestic economy and consumer spending in lodging, restaurants, and other sectors has returned to normal quicker and greater than expected as evidenced by a major growth in food service sector compared to its performance in the past two years.

The Company's direction to achieve its goals in 2023:

1. The Company focuses on gaining benefits from consolidating Abico as a subsidiary as the merger will lead to synergy and unified operation, revenue increase, expense and cost reduction, greater one-stop contract manufacturing beverage services (excluding carbonated beverage and alcoholic beverage).
2. The Company targets to expand both brand and contract manufacturing business which currently illustrates 40:60 ratio. The Company will accelerate branded business expansion enabling rapid profit growth and will balance the business type ratio to 50:50 in the future.
3. The Company aims to accelerate domestic and export branded business growth by focusing on hero products; e.g, high sales volume and margin, and strengthening marketing and sales channel together with team development.
4. The Company determines to explore new product and service offering that meets the needs of new target customer groups covering a larger market size.
5. The Company emphasizes scaling up gross profit margin through continual cost reduction to grow profitability and strengthen brand surplus.