

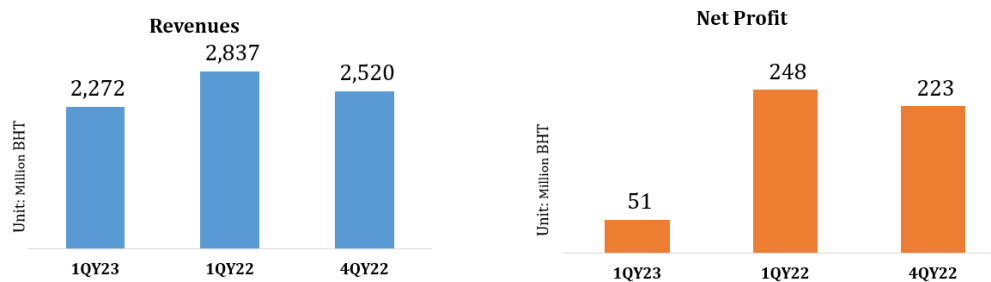


Management Discussion and Analysis

For Q1Y23

Executive Summary

- ASIAN's core sales and revenue in Q1Y23 amounted to THB 2,272 million, which represented a significant decline of 19.9% compared to the previous year. The main reason for this downturn was the underperformance of the company's frozen and pet food businesses, which exerted considerable pressure on its financial results.
- In Q1Y23, ASIAN posted a net profit of THB 51 million, indicating a sharp decline of 79.7% compared to the same period in the previous year, primarily attributed to a relatively low gross profit margin. The earnings per share were THB 0.06, which was significantly lower than the corresponding figure of THB 0.30 per share in Q1Y22.



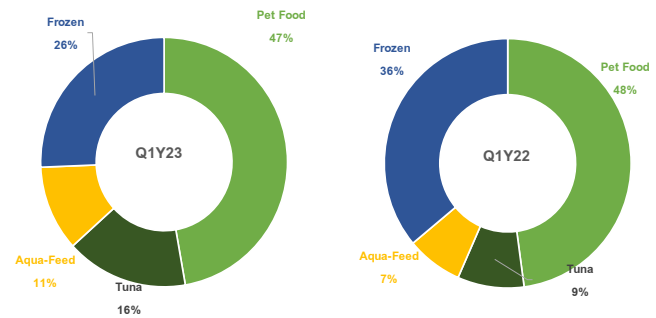
Major Developments

Business situation

Due to the persisting economic slowdown, coupled with geopolitical uncertainties, banking instability in several Western nations, severe weather conditions, and fluctuating currency values, Thai exports have experienced a decline for six consecutive months. This decline is also influenced by the high base of the previous year. Although improvement is not expected in the second quarter, there may be a resumption of growth in the second half of the year.

Our main export markets, which are the US and the Eurozone, account for more than 60% of ASIAN core revenues. In the first quarter, our total sales volume declined significantly by 16%, primarily driven by our frozen and pet food businesses. This was mainly due to overstocking and reduced retail consumption. In 1QY22, our total sales volume was 18,020 tons, which was a substantial drop from 21,515 tons YoY. Additionally, our total revenue, including intercompany transactions, declined by 25% to THB 2,212 million from THB 2,960 million. This decline was mainly driven by a 47% drop in revenue from our frozen business and a 26% drop in revenue from our pet food business.

Sales By Business Segment				
	Q1Y23	Q1Y22	%Growth	Q4Y22
Volume (Mt)	18,020	21,515	-16%	19,432
Pet Food & Fishmeal Business	7,367	9,660	-24%	8,452
Tuna Business	2,227	1,847	21%	1,402
Aquaculture Feed Business	6,541	6,202	5%	7,459
Frozen business	1,886	3,807	-50%	2,118
Revenues (Millions Baht)	2,212	2,960	-25%	2,516
Pet Food & Fishmeal Business	1,045	1,417	-26%	1,461
Tuna Business	354	258	37%	247
Aquaculture Feed Business	245	218	13%	258
Frozen business	567	1,067	-47%	551



Remark: Revenues in the table is included intercompany sales.

Pet Food & Fishmeal

The US market is currently experiencing an overstocking of pet food, which has led to a slight decrease in orders during the first quarter of this year. Additionally, the clearance process at ports has been streamlined, contributing to this trend. It is expected that these conditions will persist throughout the second quarter of this year. Our pet food production capacity stands at 49,500 tons per year, which includes the new pouch line that became operational late last year.

There has been a significant drop in total volume sales, declining from 9,660 tons to 7,367 tons, representing a YoY decrease of 24%. Similarly, total revenue has also declined by 26%, falling from THB 1,417 million to THB 1,045 million, mainly due to a decline in the US and UK markets.

Tuna

In the first quarter of the year 2023, there was an increase in sales volume increased which grew by 21% compared to the previous year, reaching to 2,227 tons from previous year's 1,847 tons. The rise in sales volume was accompanied by a corresponding increase in revenue, which also grew by 37%, from THB 258 million to THB 354 million. This growth can be attributed to several factors. One factor is the favorable market conditions in Middle East region, which is the primary market. Additionally, strategic marketing and distribution efforts may have contributed to this growth.

Aquafeed

Despite a 2.1% decrease in shrimp production in the first quarter of this year, dropping from 50,748 tons to 49,674 tons (source: APD, Department of Fisheries), We were able to increase sales volume by 7% for shrimp feed, thanks to quality improvement efforts. Additionally, fish feed volume decreased by 2%. As a result, our revenue grew by 13%, primarily driven by the higher sales volume of shrimp feed and a price increase.

Frozen

Our primary market, the US, experienced overstocking in VAP, leading to a decrease in orders since the last quarter of the previous year. A decrease in retail consumption and lower demand for new stock put additional pressure. This is a challenging situation that required us to carefully manage inventory levels and adjust our sales strategy accordingly to maintain our market position. VAP sales volume dropped by 62% in this quarter.



The frozen shrimp sales volume was also affected, experiencing a significant drop of 64%. This was mainly due to low shrimp production and the mismatch between the size of shrimp and the market's requirements.

Additionally, there was a significant decrease of 37% in squid sales from the previous year, which can be attributed to a drop in demand in Europe due to the conflict between Russia and Ukraine. In response to this change in market conditions, we must concentrate on identifying new opportunities to boost our sales in the region.

As previously mentioned, the sales volume of frozen products experienced a decline of 50% from 3,807 tons to 1,886 tons, which resulted in a reduction of revenue by 47% from THB 1,067 million to THB 567 million.

Financial Review

Profitability Analysis

STATEMENT OF INCOME

Unit: Million Baht

	1QY23		1QY22		Inc/(Dec)		4QY22		Inc/(Dec)	
		%		%	%		%	%	%	
Revenue from Sales & Services	2,272	100.0	2,837	100.0	(19.9)	2,520	100.0	(9.8)		
Cost of sales & services	(2,063)	(90.8)	(2,360)	(83.2)	(12.6)	(2,105)	(83.5)	(2.0)		
Gross Profit	209	9.2	477	16.8	(56.1)	416	16.5	(49.6)		
Operating Expenses	(179)	(7.9)	(199)	(7.0)	(10.3)	(208)	(8.3)	(14.1)		
Operating Profit	31	1.3	277	9.8	(89.0)	207	8.2	(85.3)		
Other incomes	19	0.8	26	0.9	(27.9)	22	0.9	(11.7)		
Gain/(Loss) on FX	33	1.4	13	0.4	159.5	106	4.2	(69.4)		
Other expenses	0	0.0	0	0.0		1	0.0	(92.4)		
Financial cost	(7)	(0.3)	(14)	(0.5)	(48.3)	(11)	(0.4)	(31.2)		
Profit before tax	75	3.3	302	10.6	(75.2)	325	12.9	(77.0)		
Tax expenses (income)	3	0.1	54	1.9	(95.1)	47	1.9	(94.4)		
Net Profit	72	3.2	248	8.8	(70.9)	278	11.0	(74.0)		
Profit attributable to:										
Owners of the parent	51	2.2	248	8.8	(79.7)	223	8.9	(77.4)		
Non-controlling interests	22	1.0	0	0.0		55	2.2	(100.0)		
Total	72	3.2	248	8.8	(70.9)	278	11.0	(74.0)		
Earning Per Share	0.06		0.30			0.27				

Revenue from Sales & Services

In the first quarter of 2023, ASIAN's sales and service revenue amounted to THB 2,272 million, reflecting a year-on-year decrease of 19.9%. The significant drop in revenue from frozen seafood was mainly caused by excessive inventory in the US, which is our key market. Additionally, sales revenue from pet food declined, while tuna sales increased due to higher costs and an improvement in aquafeed revenue dominated by shrimp feed.

Gross Profit

The gross profit in Q1 2023 was THB 209 million, which marked a decline of THB 268 million or 56.1% from the same quarter in the previous year. This gross profit accounted for 9.2% of the



revenue, representing a drop of 7.6% from the previous year. The decrease was primarily due to reduced production in the frozen seafood and pet food businesses, along with higher costs of raw materials.

Operating expenses

In the first quarter of 2022, our operating expenses amounted to THB 179 million, reflecting a YoY decrease of 10.2%. These expenses were comprised of selling and distribution charges, as well as administrative expenses.

1. Selling and distribution expenses remained unchanged from the previous year, totaling THB 85 million.
2. Administrative expenses, which exclude exchange rate losses, totaled THB 94 million. The decrease of THB 20 million can be attributed to two primary factors:
 - a. Stock loss provisions due to fire damage in previous year,
 - b. the registration fee for a long-term land lease agreement.

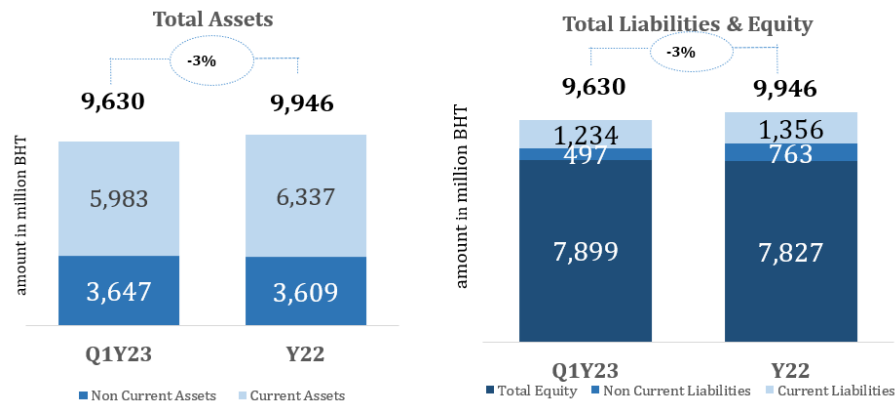
Financial cost

The financial cost for Q1Y23 was THB 7 million, decrease of THB 4 million due to substantial lower short-term and long-term borrowing.

Net Profit and Earning per Share

ASIAN recorded a net profit for parent company shareholders of THB 51 million in Q1Y23, a fall of THB 197 million or 79.7% from the previous year's same quarter profit of THB 248 million. ASIAN's earnings per share in Q1Y23 were THB 0.06. (Q1Y22: THB 0.30).

Financial Position



Total Assets

In 1QY23, a 3.2% decrease in total assets, equivalent to THB 305 million, bringing the total down to THB 9,630 million from THB 9,946 million in 2022. The primary contributors to this decline were as follows:

Firstly, cash on hand decreased by THB 185 million to THB 1,690 million.



Secondly, inventories decreased by THB 193 million to THB 2,617 million. This decline was primarily due to lower raw material and finished goods in frozen and pet food, which were partially offset by higher raw material in aquafeed.

Total Liabilities

ASIAN's total liabilities in 1QY23 amounted to THB 1,731 million, which reflects a decrease of THB 388 million or 18.3% from the total of THB 2,119 million at the end of 2022. The primary factor contributing to this reduction was a THB 320 million decrease in long-term loans.

Total Shareholders' equity

ASIAN had shareholders' equity of THB 7,899 million as of 31 March 2023, an increase of THB 72 million from THB 7,827 million at the end of 2022, owing to ASIAN profit for the year.

Cash Flow

	Unit: Million Baht		
	Q1Y23	Q1Y22	Change
Cash flow from operating activities			
Profit before tax	75	302	(227)
Adjustments for:			
Depreciation & Amortisation	80	68	11
Other adjustments	(0)	11	(12)
Loss (gain) on exchange rate	75	(12)	87
Financial cost, net	7	14	(7)
Operating profit before working capital changes	236	384	(148)
Decrease (increase) in operating assets	93	(276)	368
Increase (decrease) in operating liabilities	(32)	49	(81)
Cash from operating activities	297	157	140
Interest net paid	(6)	(15)	9
Income tax net paid	(2)	4	(6)
Net cash from operating activities	289	146	143

Operating activities

In the first quarter of 2023, the cash flow generated from operating activities was THB 289 million, indicating an increase of THB 143 million compared to the same period of the previous year, which was recorded as THB 146 million. The main factor contributing to this rise was the reduction in changes related to operating assets, primarily caused by a decrease of THB 368 million in accounts receivables and inventory.

As of 31 March 2023, the accounts receivable day and inventory day were 49 days and 108 days respectively compared to 51 days and 115 days previous year.



Asian Sea Corporation Public Company Limited.

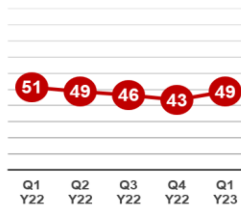
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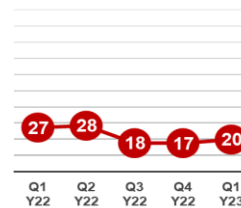
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Unit: million Baht	1QY23	1QY22	4QY22
Inventories	2,617	2,599	2,811
Account Recievable	1,467	1,505	1,391
Cash & Other current assets	1,909	264	2,136
Account Payable	(681)	(818)	(696)
Other Payable	(306)	(122)	(285)
Net Working Capital	5,007	3,428	5,356
Inventory days	108	115	112
AR Days	49	51	43
AP Days	20	27	17

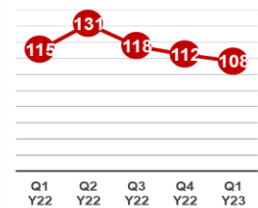
AR Days



AP Days



INV Days



	Unit: Million Baht		
	Q1Y23	Q1Y22	Change
Cash flow from investing activities			
Purchases of property, plant and equipment	(95)	(152)	57
Proceed of sales equipments and investment property	1	2	(2)
Net cash from (used in) investing activities	(94)	(150)	56
Cash flow from financing activities			
Bank borrowings raised		219	(219)
Repayment of bank borrowings	(375)	(180)	(195)
Repayment of lease liabilities	(5)	(3)	(2)
Dividend paid	(0)	(0)	0
Net cash used in financing activities	(380)	36	(416)
Effect of foreign exchange rate changes	0	(0)	1
Net increase (decrease) in cash and cash equivalents	(185)	32	(217)
Cash and cash equivalents at beginning of period	1,876	89	1,787
Cash and cash equivalents at end of period	1,691	120	1,570

Investing activities

Cash flow from investment activities decreased by THB 56 million in comparison to the previous year, which accounted of THB 95 million. This can mainly be attributed to the implementation of enhanced operational processes efficiency.

Financing activities

In 1QY23, ASIAN group repaid the loan THB 375 million.



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Key Financial Ratios

	1QY23	1QY22	4QY22		1QY23	1QY22	4QY22
Growth Rates				Profitability Ratios			
Sales Growth	-19.9%	35.4%	2.3%	Return on equity*	12.3%	25.1%	15.5%
Net Profit Growth	-79.7%	15.6%	-15.8%	Return on assets**	8.1%	14.0%	9.8%
				Total Assets Turnover***	110.1%	132.5%	112.2%
Leverage and Liquidity Ratios				Net Profit margin			
Current ratio	4.8	1.8	4.7	Gross profit margin	9.2%	16.8%	16.5%
Quick or acid test ratio	2.6	0.7	2.4	* Using last 4 consecutive quarters net profit divided by end quarter equity			
Debt to equity ratio	0.3	0.8	0.3	** Using last 4 consecutive quarters net profit divided by end quarter total assets			
Net Debt to equity ratio	(0.2)	0.5	(0.2)	** Using last 4 consecutive quarters sales divided by end quarter total assets			

Statement of Financial Position

	Q1Y23	%	Q4Y22	%	% Chg
Cash and cash equivalent	1,690	17.6	1,876	18.9	-9.9
Trade and other receivables	1,467	15.2	1,391	14.0	5.5
Inventories	2,617	27.2	2,811	28.3	-6.9
Other current assets	208	2.2	260	2.6	-20.0
Total current assets	5,983	62.1	6,337	63.7	-5.6
Investments	101	1.1	101	1.0	0.1
Fixed assets	3,399	35.3	3,351	33.7	1.4
Other non current assets	147	1.5	157	1.6	-6.2
Total non current assets	3,647	37.9	3,609	36.3	1.1
Total Assets	9,630	100.0	9,946	100.0	-3.2
Bank overdraft and short-term loans	18	0.2	68	0.7	-73.2
Trade and other payables	681	7.1	696	7.0	-2.2
Current portion of long-term loans	240	2.5	307	3.1	-21.9
Other current liabilities	295	3.1	285	2.9	3.8
Total current liabilities	1,234	12.8	1,356	13.6	-9.0
Long-term loans	283	2.9	536	5.4	-47.2
Other non current liabilities	214	2.2	227	2.3	-5.8
Total non current liabilities	497	5.2	763	7.7	-34.9
Total Liabilities	1,731	18.0	2,119	21.3	-18.3
Total shareholders' equity	7,899	82.0	7,827	78.7	0.9
Total Liabilities and Equity	9,630	100.0	9,946	100.0	-3.2

Y2023 Outlook:

After the first quarter, we anticipate that our primary market, the US market, will experience sluggishness due to an economic slowdown, particularly in the frozen business. This slowdown is expected to have a significant impact throughout 2023, compounded by geopolitical uncertainty in Europe. However, we are optimistic about the clearance process at ports, which has been streamlined and has reduced delivery times, allowing orders to return to normal levels. However, Y2023 outlook for total group revenue projection may slowdown from last year around 4%

1. There was negative growth in the first quarter Y23 in pet food business due to overstocking from brand owners, the company has revise expected growth for this year will slowdown which represents a 10% decrease compared to the previous year.
2. Despite the rising costs of tuna, the tuna business is expected to rise by 15% from Y22 due to continued demand in the Middle East market.
3. The frozen business is anticipated to experience a significant decline in growth, with sales expected to be 20% lower than last year since the US market is not expected to recover in Y23.



4. The aqua feed industry is showing significant improvement, the company estimated growth for this year will be 44% from last year due to the recovery of product quality and increased shrimp output.

The capital expenditures will remain unchanged, and the capital expenditure planning is as follows:

1. THB 1,173 million will be allocated towards expanding the capacity of the pet food business and constructing a second auto warehouse.
2. THB 54 million will be allocated towards dry pet food production and replacing the existing boiler with a new one.
3. THB 144 million will be allocated towards solar roof projects and improving operational efficiency.