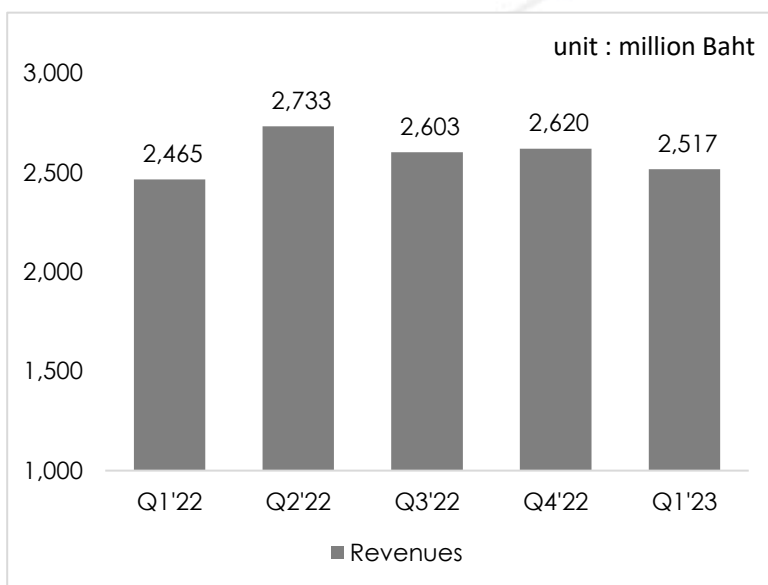


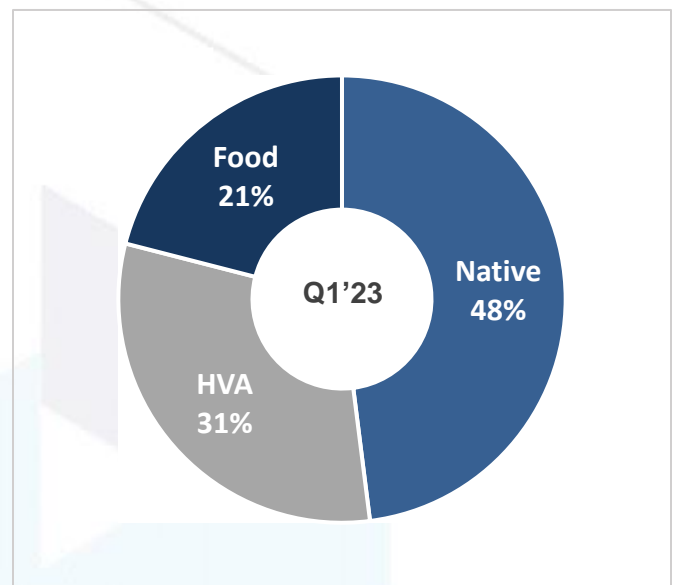
THAI WAH PCL

Management Discussion and Analysis For Q1'23 Performance ended Mar 31, 2023

Sale Revenue Breakdown by Quarter



Sales Breakdown by Business



Key summary

In Q1/2023, the Company consolidated Sales comprised revenue from the Native tapioca business THB 1,208 million or 48 percent, the High value-added (HVA) products business THB 781 million or 31 percent, and the Food business THB 528 million or 21 percent. The group's sale was THB 2,517 million, which increased by THB 52 million or 2 percent over the same period last year.

The gross profit margin recorded 19 percent, which dropped 4 percent YOY. The profit decreased from the Starch business as the increase in raw material price was higher than the increase in selling price according to the increase in tapioca market price. For the food business, even though the Company managed the price increase in 2022, the increase in raw material cost had more impact, especially in

Q4'22 and continuously increasing in 2023. As a result, the food business's gross profit margin for Q1 is 29 percent, dropping 4 percent YOY.

The Company's consolidated financial performance by business units as follows:

(Unit: million Baht)

	Q1'23	Q1'22	YoY	Q4'22	QoQ
Sales	2,517	2,465	2%	2,620	-4%
COGS	2,034	1,891	8%	2,173	-6%
GP	483	574	-16%	447	8%
SG&A	378	363	4%	389	-3%
Other income*	22	18	22%	(2)	100%
EBIT	127	229	-45%	56	125%
Finance cost	17	18	-6%	11	53%
EBT	110	211	-48%	45	143%
Tax	26	32	-19%	7	249%
Net Profit	84	179	-53%	38	122%
Share to NCI	(1)	12	-108%	(0)	-346%
Share to equity holder	85	167	-49%	38	123%
EPS (THB/share)	0.10	0.19	-49%	0.04	123%
FX: USD/THB	33.9	33.1	3%	36.3	-7%
GPM (%)	19%	23%	-4%	17%	2%
%SG&A/Sales	15%	15%	0%	15%	0%
NPM (%)	3%	7%	-4%	1%	2%

*Including net exchange gain (loss) and profit (loss) on fair value of derivatives

Revenue from Tapioca Starch and High value-added Businesses

In Q1/2023, the sale of tapioca starch business was THB 1,208 million, which had decreased by 9 percent from last year. The high value-added

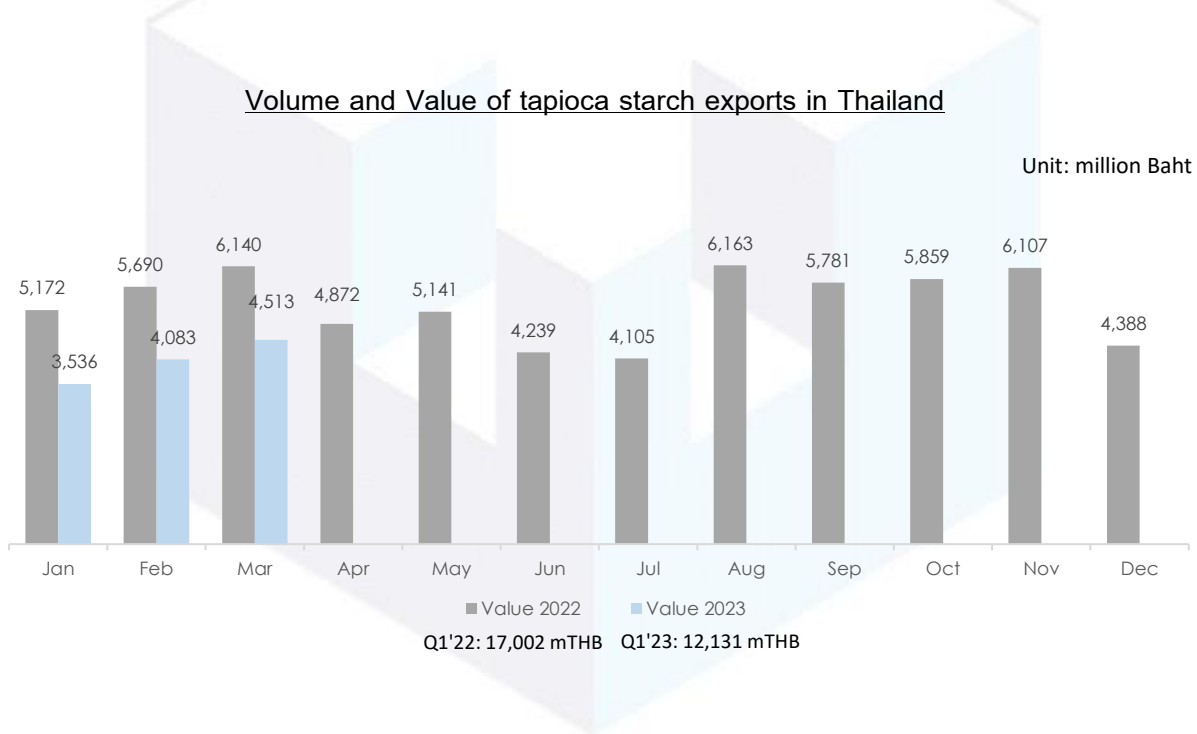
(HVA) products business sales were THB 781 million, which had risen 18 percent from the same period last year.

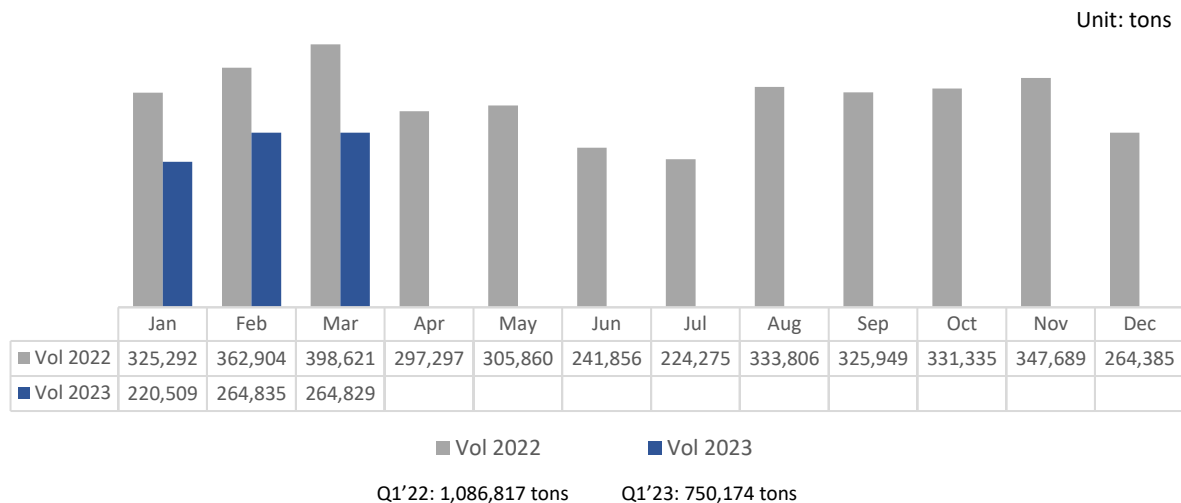
The decreased sales of native tapioca starch resulted from the shortage of tapioca root in 2023, which not only made lower production and sale volume decrease but also affected high raw material costs.

However, the tapioca starch export volume for Q1 2023 of the Company decreased by 5 percent, and export value increased by 1 percent. These numbers were better than Thailand's tapioca

starch export volume, which fell by 31 percent, while the export value decreased by 29 percent YoY. (Source: Thai Customs).

The Company focuses on selling high-value starch products in the current raw material shortage situation. As a result, the sales of HVA products increased by 18 percent, mainly from glucose and modified starch products.





Source: Thai Custom

Revenue from Food Business

The Company remains one of Thailand's top market leaders for vermicelli and rice noodle, with solid growth in all key channels.

The operating result of the food business was continuous growth. In Q1/2023, the Company recorded sales for the food business of THB 528 million, which increased by 10 percent over the same period last year. Domestic sales contributed 87 percent of the food revenue, while export sales accounted for 13 percent.

The sales increase was mainly from Modern trade, Wholesale, and Van sales channels. The growth is

due to coverage expansion and more product assortments. In addition, the new products launched that offered hygiene and healthy food, especially Ready-to-eat products, which is part of the Company's strategy of providing innovative healthy food convenient to consumers, was also the main driver for the sales growth.

For 2023, the Company expected sales to grow continuously from the increasing demand for main products, the new products offered, and the new market expansion.

Gross Profit

In Q1/2023, the gross profit was THB 488 million, or a gross profit margin of 19 percent, which decreased by 4 percent over the same period last year.

The increase in starch raw material was the main driver that dropped the gross profit. The Starch business gross profit for Q1/2023 was 17

percent, which decreased by 4 percent over the same period last year. The main reason was the increase in raw material and energy costs.

For the Food business, the gross profit dropped 4 percent due to the increased raw material cost resulting from the rise of raw material price by over 20 percent compared to last year.

Selling and Administrative Expenses

In Q1/2023, the selling and administrative expenses were THB 378 million, which increased by 4 percent from last year.

The increase was mainly due to the higher logistic costs of THB 10 million, caused by the higher

freight and transportation fee resulting from the rise in the oil prices, the increase in people's cost to serve the new business, and traveling expenses for business expansion.

Net Profit Attributable to Shareholders

For the Quarter 1 2023 result, the Company's net profit was THB 85 million, which decreased by THB 82 million compared to last year. This net

profit decrease was mainly due to increased raw material, energy, and transportation expenses.

Cash Flow analysis

For Quarter 1 2023, net cash used in operating activities was THB 536 million, increased by THB 169 million mainly from higher finished goods

pending for shipments in Q2/2023 and high raw material stocks. The Company remained in a strong cash flow position sufficient for future business expansion.

The Outlook for the year 2023

Expected 2023 Company's Sales will grow in high single digits while gross profit levels would drop from the previous year due to increased raw material costs. However, the company continued to drive a productivity improvement program that included energy saving/ invested in alternate energy projects to help lower processing costs in the long term.

The current situation of tapioca roots is likely to be a shortage during this low season period. The current price is 3.6 – 3.8 BHT/KG for 25% starch content, while the average selling price adjusted in the range of 540-560 USD/ton reflects the high raw material cost. The demand for ROSE brand in China for Q1 2023 was strong that the volume of Trading office in China grew over 24 percent YOY.

Therefore, the Company intends to keep stocks to sell more in Q2, with a higher expected price. On tapioca root sourcing, the Company has a farm sourcing team that plans to source the roots from the Thai Wah farmer network and far-area to ensure sufficient roots are supplied to the factory as planned.

The Outlook business of Food continued to grow from distribution expansion and the new product launch while continuing production efficiency through innovation and the lean program to offset the raw material cost, labor cost, and energy cost inflation. The Company plans to launch 5-8 SKUs this year, which will be a key source of growth to continue delivering double-digit growth in the long term.

The tapioca starch factory in Cambodia was in progress, which targets to commission in Q4 2023. This factory will help in driving the growth out of Thailand.



THAI WAH PUBLIC COMPANY LIMITED

21/11, 21/13 Thai Wah Tower I, 6th Floor, South Sathorn Road, Tungmahamek, Sathorn, Bangkok 10120

Tel: 66 (0) 2285-0040, 66 (0) 2285-0031, 66 (0) 2285-0315-20 Fax: 66 (0) 2285-0268, 66 (0) 2285-0270-71

Corporate Website : www.thaiwah.com