



Management Discussion and Analysis Quarter 1 Ending 31 March 2023

Summary of Operating Performance

For three-month period ended 31 March 2023

Statement of Comprehensive Income	Consolidated Financial Statements (Reviewed)			
	Quarter 1/2023		Quarter 1/2022	
	Baht million	%	Baht million	%
Revenue from sales	345.60	100.00%	395.02	100.00%
Cost of sales	301.44	87.22%	325.90	82.50%
Gross profit	44.16	12.78%	69.12	17.50%
Other incomes	1.87	0.54%	3.49	0.88%
Gain/(Loss) from exchange rate	(0.83)	(0.24%)	2.19	0.55%
Operating profit	45.20	13.08%	74.80	18.93%
Selling and distribution expenses	(11.33)	(3.28%)	(18.89)	(4.78%)
Administrative expenses	(36.34)	(10.51%)	(41.64)	(10.54%)
Earning before Finance cost and Tax	(2.47)	(0.71%)	14.27	3.61%
Finance income	0.002	<0.00%	0.001	<0.00%
Finance cost	(2.62)	(0.76%)	(3.60)	(0.91%)
Profit before income tax expenses	(5.09)	(1.47%)	10.67	2.70%
Income tax expenses	(0.59)	(0.17%)	(2.69)	(0.68%)
Net Profit/(Loss) for the period	(5.68)	(1.64%)	7.98	2.02%

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 receive.

Revenue Structure

Revenue categorized by product type	Quarter 1/2023		Quarter 1/2022	
	Baht million	%	Baht million	%
Sales				
1. Dehydrated fruits				
Domestic	99.12	28.53%	96.01	23.96%
International	222.21	63.95%	245.21	61.19%
2. Canned fish				
Domestic	5.26	1.51%	8.16	2.04%
International	17.83	5.13%	42.68	10.65%
3. Healthy snacks				
Domestic	0.29	0.08%	1.64	0.41%
International	0.89	0.26%	1.32	0.33%
Total sales	345.60	99.46%	395.02	98.58%
Other incomes	1.87	0.54%	5.68	1.42%



Revenue categorized by product type	Quarter 1/2023		Quarter 1/2022	
	Baht million	%	Baht million	%
Total revenue	347.47	100.00%	400.70	100.00%

Revenue Structure (Sales by product type)	Quarter 1/2023		Quarter 1/2022	
	Baht million	%	Baht million	%
1. Dehydrated fruits	321.33	92.98%	341.22	86.38%
2. Canned fish	23.09	6.68%	50.84	12.87%
3. Healthy snacks	1.18	0.34%	2.96	0.75%
Total revenue from sales	345.60	100.00%	395.02	100.00%

For the first quarter (Q1) in 2022 and 2023, the Company reported total revenue of Baht 395.02 million and Baht 345.60 million respectively, decreased by Baht 49.42 million or equivalent to 12.51 percent. Over 92.98 percent of major revenue was generated from dehydrated fruit products.

The decrease of total revenue in for Q1/2023 by more than Baht 50 million compared to the same period of the previous year due to several factors as below:

- 1) A decrease in sales revenue from canned fish products by Baht 27.75 million, which represents a decrease of 54.58 percent. It stems from the fact that there was a decrease in consumer demand and stock piling of these products after the COVID-19 pandemic situation began to ease. This resulted in a decrease in revenue from the export sale of canned fish products in foreign markets by Baht 24.85 million or 58.22 percent, and a decrease in revenue in the domestic market by Baht 2.90 million baht or 35.54 percent.
- 2) A decrease in revenue from dehydrated fruit products by Baht 19.89 million, which represents a decrease of 5.83 percent. This is due to a decrease in revenue from exports, as competition in the dehydrated fruit market increased and new competitors entered the market. However, revenue from sales in the domestic market increased slightly due to direct marketing to tourists in the country, especially Chinese tourists from benefit of relaxed travel restrictions since 8 January 2023 onward.
- 3) A decrease in revenue from healthy snacks products, a new product group that the Company has been consistently promoting, by Baht 1.78 million, which represents a decrease of 60.14 percent.
- 4) Other incomes decreased by Baht 3.81 million, which represents a decrease of 67.08 percent. This is due to a decrease in production volume, especially for canned fish products, in line with sales trends. This resulted in a decrease in revenue from the sale of scraps and a decrease in profit from exchange rates due to the stricter Exchange Rate Policy of the Company.

In general, export revenues decreased in all product categories, primarily due to the shortage of ships and containers for international shipments caused by China's lockdown policy to control the COVID-19 pandemic in the first quarter of 2022. This resulted in reduced demand for ships and containers from China, causing a significant delay in



shipments of products that were ready to be exported to customers since the end of 2021, which were finally exported during the first quarter of 2022. Despite this, export revenues for the whole year of 2022 performed well. Therefore, in addition to the revenue decline mentioned in the previous paragraph, export revenues in the first quarter of 2023 also declined comparing to the same period in 2022 because of no significant delay shipments carry forward as previous year.

Cost of Goods Sold and Gross Profit

Products	Quarter 1/2023		Quarter 1/2022	
	Baht million	% of Sales	Baht million	% of Sales
1. Dehydrated fruits	279.30	86.92%	279.18	81.82%
2. Canned fish	21.03	91.08%	43.86	86.27%
3. Healthy snacks	1.11	94.07%	2.86	96.62%
Total cost of goods sold	301.44	87.22%	325.90	82.50%
Gross Profit	44.16	12.78%	69.12	17.50%

The cost of goods sold includes the raw materials cost, labor costs in production, electricity and fuel costs in the factory, depreciation of factory buildings, machinery and equipment, sundry and packaging costs.

In Q1/2023, the Company had gross profit of Baht 44.16 million or equivalent to 12.78 percent, which decreased from Q1/2022 due to higher competition in the raw material market in the early season, resulting in higher raw material prices. Additionally, the Company had to import semi-finished products from a subsidiary company and other companies into the final production process to meet customer demand. Such semi-finished products had a higher price, leading to higher costs of goods sold in Q1/2023 compared to the same period of the previous year.

Selling and Administrative Expenses

Selling and administrative expenses in Q1/2023 were Baht 11.33 million, a decrease of Baht 7.55 million or equivalent to 39.99 percent compared to the same period of the previous year. The contribution ratio to sales was 3.28 percent, a decrease compared to the same period of the previous year due to a decrease in export sales, especially in Europe zone, where export costs are higher than in other regions.

In Q1/2023, the Company's administrative expenses amounted to Baht 36.34 million, a decrease of Baht 5.31 million or 12.74 percent compared to the same period last year. This was due to a reduction in expenses related to health check-ups, hospital equipment, and Covid-19 antigen test kits (ATK) which were still incurred in Q1/2022. Additionally, in 2022, there were increased expenses related to the Company's registration on the Stock Exchange of Thailand (SET), which did not occur in Q1/2566.

Net Profit and Net Profit Margin

In Q1/2023, the Company experienced a net loss of Baht 5.68 million, which represents a net loss margin of 1.64 percent. Yet, in Q1/2022, the Company generated a net profit of Baht 7.98 million, which represents a net profit margin of 2.02 percent. Although selling and administrative expenses decreased in the first quarter of 2023, revenue and gross profit decreased in a higher proportion due to the above-mentioned reasons, resulting in a net loss for this quarter.