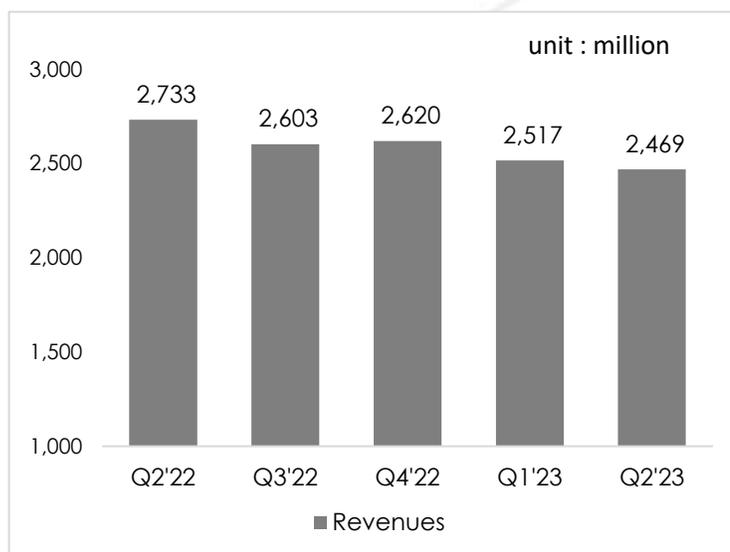


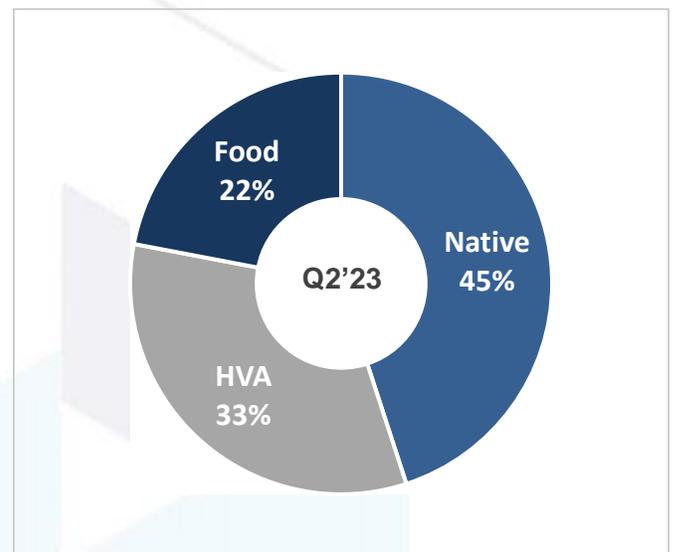
THAI WAH PCL

Management Discussion and Analysis For Q2'23 Performance ended June 30, 2023

Sale Revenue Breakdown by Quarter



Sales Breakdown by Business



Key summary of Revenue for Q2 and 1H 2023

In Q2/2023, the Company consolidated Sales comprised revenue from the Native tapioca business THB 1,115 million or 45 percent, the High value-added (HVA) products business THB 822 million or 33 percent, and the Food business THB 532 million or 22 percent. The group's sales were THB 2,469 million, which decreased by THB 264 million or 10 percent over the same period last year.

The gross profit margin for Q2 recorded 12 percent, which dropped 6 percent QoQ. The profit decreased from the Starch business as the increase in raw material price was higher than the increase in selling price. The food business also got the impact of high raw material costs on imported and local raw materials, resulting in a lower gross profit margin

of 28%, 4% lower than the same period of last year.

For the 1H/2023 sales, the Company consolidated Sales comprised revenue from the Native tapioca business THB 2,323 million or 47 percent, the High value-added (HVA) products business THB 1,603 million or 32 percent, and the Food business THB 1,060 million or 21

percent. The group's sales were THB 4,986 million, which decreased by THB 212 million or 4 percent from last year.

The gross profit margin for 1H/2023 recorded 16 percent, which dropped 5 percent YoY. The decrease was due to the higher raw material cost, as mentioned.

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

(Unit: million Baht)

	Q2'23	Q2'22	QoQ	1H'23	1H'22	YoY
Sales	2,469	2,733	-10%	4,986	5,198	-4%
COGS	2,171	2,244	-3%	4,205	4,135	2%
GP	298	489	-39%	781	1,063	-27%
SG&A	354	418	-15%	732	781	-6%
Other income*	12	7	71%	34	25	36%
EBIT	(44)	78	-156%	83	307	-73%
Finance cost	21	17	24%	38	35	9%
EBT	(65)	61	-207%	45	272	-83%
Income tax	(3)	17	-118%	23	49	-53%
Net Profit (loss)	(62)	44	-241%	22	223	-90%
Share to NCI	(16)	(2)	-700%	(17)	10	-270%
Share to equity holder	(46)	46	-200%	39	213	-82%
EPS (THB/share)	(0.05)	0.05	-200%	0.04	0.24	-82%
FX: USD/THB	34.5	34.4	0%	34.2	33.7	1%
GPM (%)	12%	18%	-6%	16%	20%	-5%
%SG&A/Sales	14%	15%	-1%	15%	15%	0%
NPM (%)	-3%	2%	-4%	0%	4%	-4%

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

Revenue from Tapioca Starch and High value-added Businesses

In Q2/2023, the sale of tapioca starch business was THB 1,115 million, which had decreased by 12 percent from last year. The high value-added (HVA) products business sales were THB 822 million, reduced by 16 percent from last year.

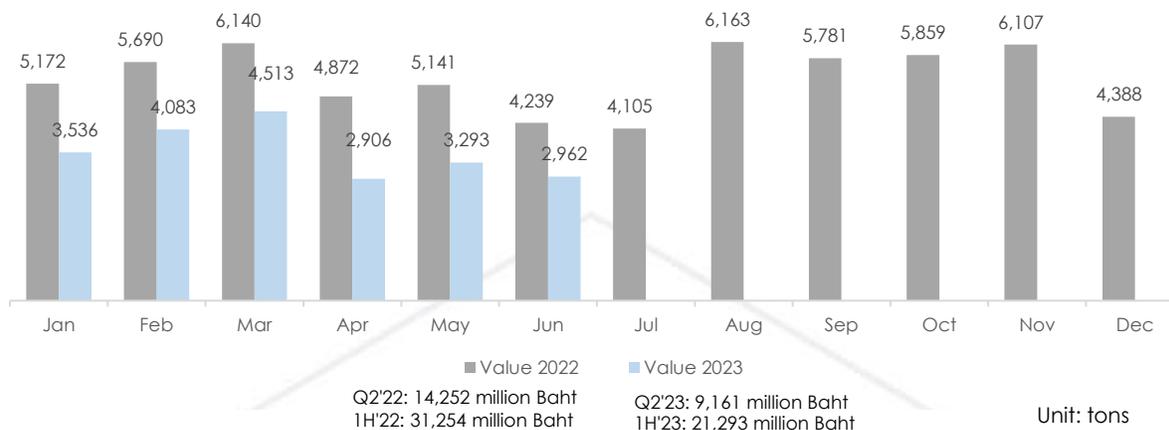
For the 1H/2023, the sale of tapioca starch business was THB 2,323 million, which had decreased by 10 percent from last year. The high value-added (HVA) products business sales were THB 1,603 million, reduced by 3 percent from last year.

The decreased sales of native tapioca starch resulted from the shortage of tapioca root in 2023, which lowered the production and sale volumes and affected high raw material costs.

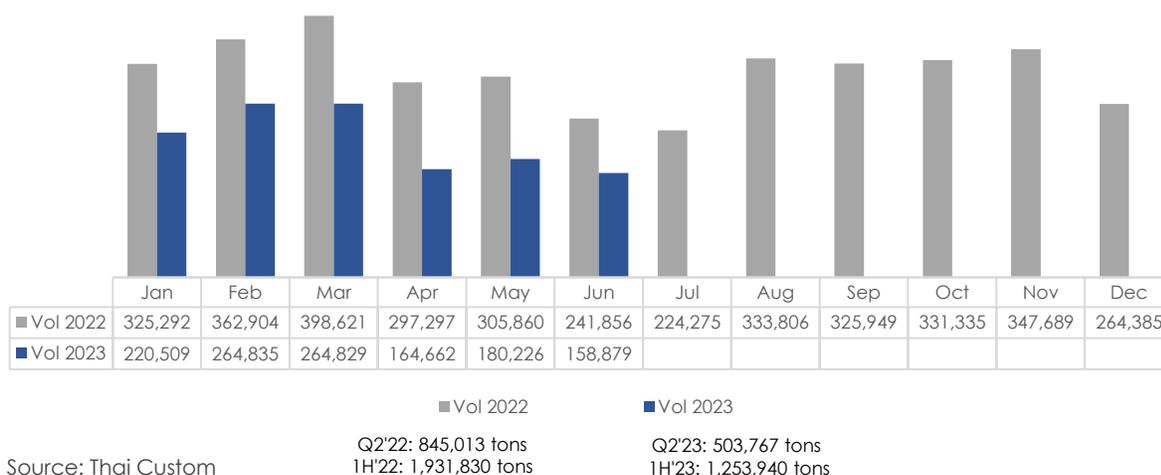
For 1H/2023, the company's export volume decreased by 13 percent, and export value decreased by 5 percent. These numbers were significantly better than Thailand's tapioca starch export volume for 1H/2023, in which the export volume decreased by 35 percent and export value decreased by 32 percent YoY. (Source: Thai Customs).

Volume and Value of tapioca starch exports in Thailand

Unit: million Baht



Unit: tons



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 Q2/2023, the Company

recorded sales for the food business of THB 532 million, which increased by 9 percent over the same period last year. Domestic sales contributed 84 percent of the food revenue, while export sales accounted for 16 percent.

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The sales increase was mainly from Modern trade, Wholesale, and Van sales channels. The growth was driven by the coverage expansion, increase in product assortments, and continued New products launched to the market.

In 1H/2023, the Company recorded sales for the food business of THB 1,060 million, which increased by 9 percent over the previous year. Domestic sales contributed 86 percent of the food revenue, while export sales accounted for 14 percent.

Gross Profit

In Q2/2023, the gross profit was THB 298 million, or a gross profit margin of 12 percent, which decreased by 6 percent over the same period last year.

For the 1H/2023, the gross profit was THB 781 million, or a gross profit margin of 16 percent, which decreased by 5 percent from last year.

The increase in starch raw material was the main driver that dropped the gross profit. The Starch business gross profit for Q2/2023 was 8 percent, which decreased by 5 percent over the same

period last year, and the gross profit for 1H/2023 was 12 percent, which decreased by 4 percent from last year. The main reason was the increase in raw material and energy costs.

For the Food business, the gross profit for Q2/2023 and the gross profit 1H/2023 was 28 dropped 4 percent due to the increased raw material cost resulting from the rise of raw material price by over 22 percent compared to last year.

Selling and Administrative Expenses

In Q2/2023, the selling and administrative expenses were THB 354 million, which decreased by 15 percent over the same period last year. For 1H/2023, the selling and administrative expenses

were THB 732 million, which decreased by 6 percent from last year. The decrease was mainly due to the lower logistic costs and one-time bad debt provision last year.

Net Profit Attributable to Shareholders

For the Q2/2023 result, the Company's net loss was THB 46 million, which decreased by THB 92 million compared to last year. This net profit decrease was mainly due to increased raw material and energy costs, as mentioned.

For 1H/2023, the Company's consolidated net profit attributable to shareholders was THB 39 million, which decreased by 82 percent compared to last year mainly from the rise in raw material cost.

Cash Flow analysis

For the 1H/2023, net cash used in operating activities was THB 181 million, increasing by THB 338 million compared to last year mainly from 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 single digits while gross profit levels will 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 tapioca roots situation is likely to improve from the Q2 low season period. The current price is 3.1–3.4 BHT/KG for 25% starch content, while the average selling price is 550-570 USD/ton. The demand for the ROSE brand in China for 1H 2023 was strong that the volume of Trading office in China grew over 19 percent YOY.

The latest Crop survey in June 2023 by four cassava associations expected the 2022/2023 crops (Oct 2022-Sep 2023) to drop by 20-25% from the original forecast in Sep 2022. The Company closely monitors the impact and has implemented strategic actions to secure raw material supplies, such as using digital crop scans to monitor the roots, increase the root yard

network, the stem propagation, and promote smart farming with the Thai Wah Farmer network to increase the cassava yield. These measures will help mitigate the root supply risks in the short term and long term.

Cambodia's new tapioca starch factory is in progress, with the target to commission in Q4 2023. This factory will help increase the supply sides to serve the continuous demand growth of the ROSE Brand.

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 SKUs this year, which will be a key source of growth to continue delivering double-digit growth in the long term.