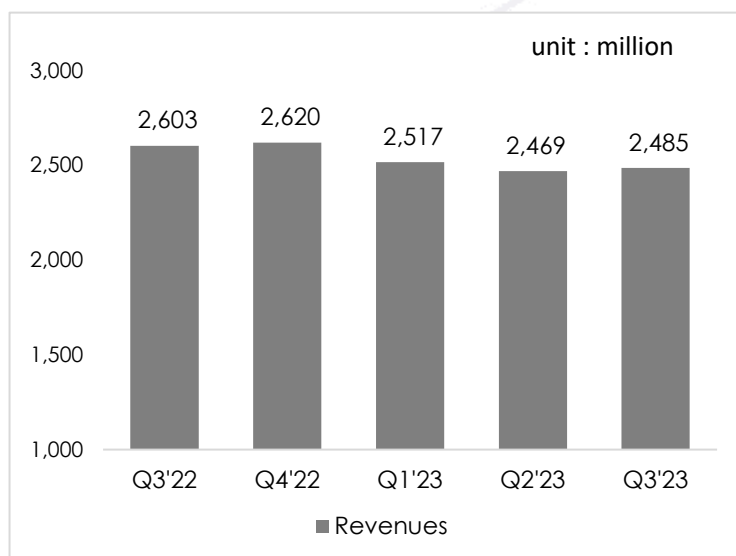


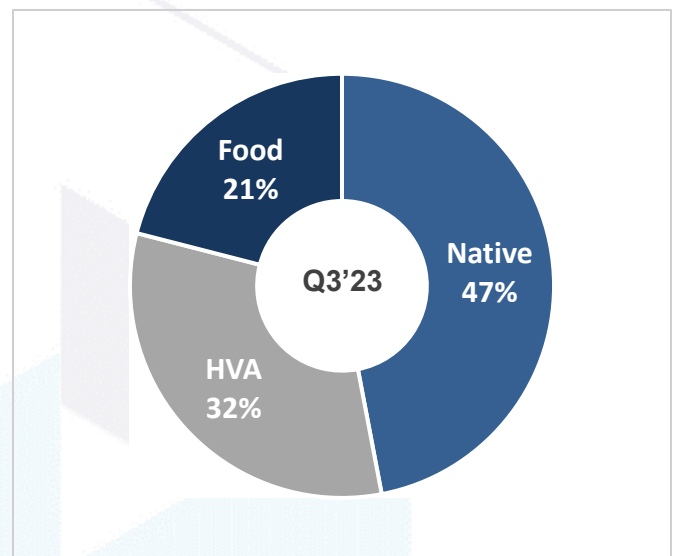
THAI WAH PCL

Management Discussion and Analysis For Q3'23 Performance ended September 30, 2023

Sale Revenue Breakdown by Quarter



Sales Breakdown by Business



Key summary of Revenue for Q3 and 9M 2023

In Q3/2023, the Company consolidated Sales comprised revenue from the Native tapioca business THB 1,157 million or 47 percent, the High value-added (HVA) products business THB 802 million or 32 percent, and the Food business THB 526 million or 21 percent. The group's sales were THB 2,485 million, which decreased by THB 118 million or 5 percent over the same period last year.

The gross profit margin for Q3 recorded 14 percent, which increased 1 percent QoQ. The increase was mainly from the food business, which positively impacted the downward trend of imported raw materials and the cost savings from renewable energy, resulting in a higher gross profit margin of 30 percent, 1 percent higher than the same period last year.

The starch business had a gross profit margin for Q3 of 10 percent, the same level as last year.

For the 9M/2023 sales, the Company consolidated Sales comprised revenue from the Native tapioca business THB 3,480 million or 47 percent, the High value-added (HVA) products business THB 2,405 million or 32 percent, and the Food business THB 1,586 million or 21 percent. The group's sales were THB 7,471

million, which decreased by THB 330 million or 4 percent from last year.

The gross profit margin for 9M/2023 recorded 15 percent, which dropped 3 percent YoY. The decrease was due to the increase in raw material price, which was higher than the increase in selling price, plus the increase in energy cost.

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

(Unit: million Baht)

	Q3'23	Q3'22	QoQ	9M'23	9M'22	YoY
Sales	2,485	2,603	-5%	7,471	7,801	-4%
COGS	2,137	2,255	-5%	6,342	6,390	-1%
GP	348	348	0%	1,129	1,411	-20%
SG&A	356	310	15%	1,088	1,091	0%
Other income*	17	25	-28%	52	50	4%
EBIT	10	63	-84%	93	370	-75%
Finance cost	19	14	36%	57	49	16%
EBT	(9)	49	-118%	36	321	-89%
Income tax	(3)	9	-133%	20	58	-66%
Net Profit (loss)	(6)	40	-115%	16	263	-94%
Share to NCI	(5)	(8)	38%	(22)	2	-1,200%
Share to equity holder	(1)	48	-102%	38	261	-85%
EPS (THB/share)	(0.00)	0.05	-102%	0.04	0.30	-85%
FX: USD/THB	35.2	36.4	-3%	34.5	34.6	0%
GPM (%)	14%	13%	1%	15%	18%	-3%
%SG&A/Sales	14%	12%	2%	15%	14%	1%
NPM (%)	0%	2%	-2%	0%	3%	-3%

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

Revenue from Tapioca Starch and High value-added Businesses

In Q3/2023, the sale of tapioca starch business was THB 1,157 million, which had decreased by 6 percent from last year. The high value-added (HVA) products business sales were THB 802 million, reduced by 7 percent from last year.

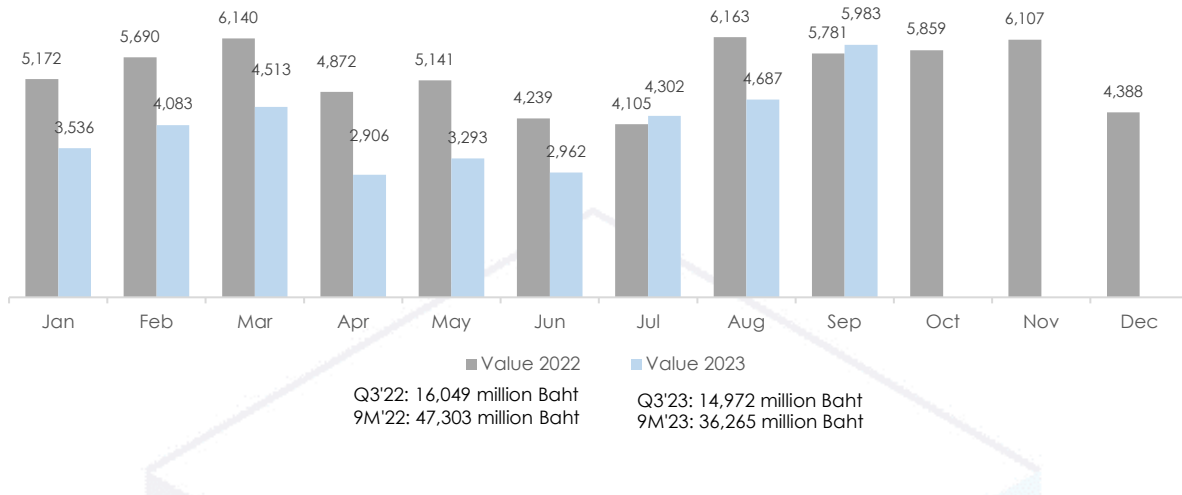
For the 9M/2023, the sale of tapioca starch business was THB 3,480 million, which had decreased by 9 percent from last year. The high value-added (HVA) products business sales were THB 2,405 million, reduced by 4 percent from last year.

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.

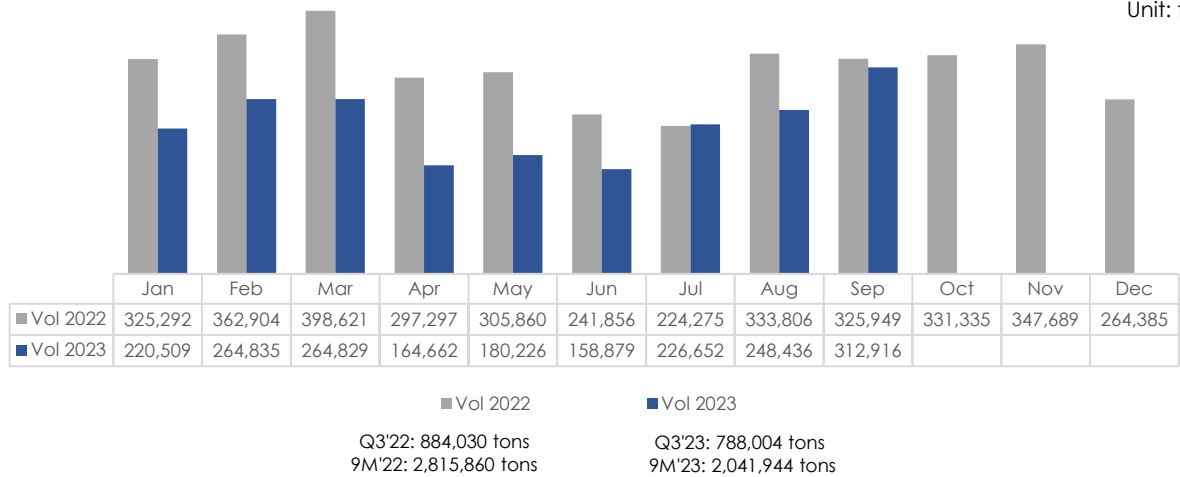
For 9M/2023, the company's export volume decreased by 14 percent, and export value decreased by 6 percent. These numbers were significantly better than Thailand's tapioca starch export volume for 9M/2023, in which the export volume decreased by 27 percent; and export value decreased by 23 percent YoY. (Source: Thai Customs).

Volume and Value of tapioca starch exports in Thailand

Unit: million Baht



Unit: tons



Source: Thai Custom

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Revenue from Food Business

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

The operating result of the food business was continuous growth. In Q3/2023, the Company recorded sales for the food business of THB 526 million, which increased by 3 percent over the same period last year. Domestic sales contributed 86 percent of the food revenue, while export sales accounted for 14 percent.

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

In 9M/2023, the Company recorded sales for the food business of THB 1,586 million, which increased by 7 percent over the previous year. Domestic sales contributed 86 percent of the food revenue, while export sales accounted for 14 percent.

Gross Profit

In Q3/2023, the gross profit was THB 348 million, or a gross profit margin of 14 percent, which increased by 1 percent over the same period last year.

For the 9M/2023, the gross profit was THB 1,129 million, or a gross profit margin of 15 percent, which decreased by 3 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 Q3/2023 was 10 percent, which is on par with the same period last year, and the gross profit for 9M/2023 was 11 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 Q3/2023 was 30 percent, which increased by 1 percent due to the decreased raw material cost resulting from the dropping of imported raw material prices, and the energy cost also dropped due to the cost savings from renewable energy.

Selling and Administrative Expenses

In Q3/2023, the selling and administrative expenses were THB 356 million, which increased by 15 percent over the same period last year. For 9M/2023, the selling and administrative expenses

Net Profit Attributable to Shareholders

For the Q3/2023 result, the Company's net loss was THB 1 million, which decreased by THB 49 million compared to last year. As mentioned, this net profit decrease was mainly due to increased raw material and energy costs.

The gross profit of 9M/2023 was 29 percent, dropped 2 percent due to the increased raw material cost resulting from the rise of raw material price by over 17 percent compared to last year.

were THB 1,088 million, which decreased by 0.3 percent from last year. The decrease was mainly due to the lower logistic costs and one-time bad debt provision last year.

For 9M/2023, the Company's consolidated net profit attributable to shareholders was THB 38 million, which decreased by 85 percent compared to last year, mainly from the root price shortage that resulted in a rise in raw material cost and the sales volume drop.

Cash Flow analysis

For the 9M/2023, net cash used in operating activities was THB 25 million, increasing the use by THB 612 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 likely remain at the same level as the previous year. The gross profit might be lower than last year's 2 percent due to the starch raw material shortage that caused the raw material costs to increase higher than the selling price. However, the company continued to drive a productivity improvement program that included energy saving/investing in alternate energy projects and improved machine efficiency to lower processing costs in the long term.

The current tapioca roots situation will likely improve from Q2 & Q3, a low season period. The current price is 3.3–3.5 THB/KG for 25 percent

starch content, while the average selling price is 540-570 USD/ton. The demand for the ROSE brand in China for 9M/2023 was so strong that the volume of Trading offices in China grew over 6 percent YOY.

The latest Crop survey in August 2023 by four cassava associations expected the 2022/2023 crop (Oct 2022-Sep 2023) volume to be 26.67 million tons, a drop of 20 percent from the original forecast in Sep 2022.

For crop 2023/2024 (Oct 2023-Sep 2024), the four cassava associations expected the cassava

volume to be 24.66 million tons, or a decrease of 7 percent from the previous crop.

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 and 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 January 2024. This factory will help to diversify the supply and serve the continuous demand growth of the ROSE Brand.

The Outlook of the Food business 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 continue the new product launch that will be a key

source of growth to continue delivering double-digit growth in the long term.