



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED 31 DECEMBER 2023

Summary of Operating Performance

Statement of Comprehensive Income	Consolidated Financial Statements (Audited)			
	Year 2023		Year 2022	
	Million Baht	%	Million Baht	%
Revenue from sales	1,827.10	100.00%	1,831.35	100.00%
Cost of sales	1,542.72	84.44%	1,488.54	81.28%
<b>Gross profit</b>	<b>284.38</b>	<b>15.56%</b>	<b>342.81</b>	<b>18.72%</b>
Other incomes	6.93	0.38%	9.05	0.49%
Gain/(Loss) from exchange rate	4.65	0.26%	23.83	1.30%
<b>Operating profit</b>	<b>295.96</b>	<b>16.20%</b>	<b>375.69</b>	<b>20.51%</b>
Selling and distribution expenses	(59.30)	(3.24%)	(65.56)	(3.58%)
Administrative expenses	(153.06)	(8.38%)	(165.42)	(9.03%)
<b>Operating Profit</b>	<b>83.60</b>	<b>4.58%</b>	<b>144.71</b>	<b>7.90%</b>
Finance income	1.00	0.05%	0.15	0.01%
Finance cost	(12.31)	(0.67%)	(15.00)	(0.82%)
<b>Profit before income tax expenses</b>	<b>72.29</b>	<b>3.96%</b>	<b>129.86</b>	<b>7.09%</b>
Income tax expenses	(15.89)	(0.87%)	(26.59)	(1.45%)
<b>Net Profit for the period</b>	<b>103.27</b>	<b>5.64%</b>	<b>67.07</b>	<b>4.65%</b>

Remark: Other incomes include export compensation, gain from disposal of fixed assets, sales of scraps, and gain from fair value of derivatives.

Year 2023: Chin Huay Public Company Limited and its subsidiaries (collectively referred to as the “Group Companies”) reported a total revenue of 1,827.10 million baht, reflecting a marginal decrease of 0.23 percent Year-on-Year (YoY), of which this amount was revenue generated from dehydrated fruits (comprising 89.34 percent of the total) amounted to 1,632.32 million baht, indicating a modest increase of 1.93 percent (YoY). Conversely, revenue from the canned fish (10.16 percent of the total) amounted to 185.57 million baht, experiencing a decline of 15.62 percent (YoY). Additionally, revenue from the healthy snacks (0.50 percent of the total) in the amount of 9.21 million baht, equivalent to a decrease of 8.00 percent (YoY).



#### Revenue Structure

Revenue categorized by product type	Year 2023		Year 2022	
	Million Baht	%	Million Baht	%
<b>Sales Revenue</b>				
<b>1. Dehydrated fruits</b>	<b>1,632.32</b>	<b>89.34%</b>	<b>1,601.41</b>	<b>87.44%</b>
Domestic	400.64	21.93%	445.04	24.30%
International	1,231.68	67.41%	1,156.37	63.14%
<b>2. Canned fish</b>	<b>185.57</b>	<b>10.16%</b>	<b>219.93</b>	<b>12.01%</b>
Domestic	30.20	1.65%	33.03	1.80%
International	155.37	8.51%	186.90	10.21%
<b>3. Healthy snacks</b>	<b>9.21</b>	<b>0.50%</b>	<b>10.01</b>	<b>0.54%</b>
Domestic	2.83	0.15%	5.39	0.29%
International	6.38	0.35%	4.62	0.25%
<b>Total sales</b>	<b>1,827.10</b>	<b>100.00%</b>	<b>1,831.35</b>	<b>100.00%</b>

#### Sales revenue

1. Revenue from sales of dehydrated fruits amounted to 1,632.32 million baht, an increase of 1.93 percent (YoY), of which this amount was revenue from domestic sales and international sales at a proportion of approximately 24:76

1.1 Domestic sales revenue decreased by 44.40 million baht, accounting for 9.98 percent (YoY).

Throughout the first half of 2023, intensified price competition within the dehydrated fruit market, coupled with the emergence of new competitors, prompted our primary domestic customers to defer orders from the Group Companies while purchasing from competitors offering more competitive pricing. However, during the 3<sup>rd</sup> and 4<sup>th</sup> quarters of 2023, these major customers resumed ordering from the Group Companies, citing feedback that our products meet end customer needs more effectively than those of competitors.

1.2 International sales revenue increased by 75.31 million baht, accounting for 6.51 percent (YoY)

primarily attributable to improved export conditions to major customers in the United States. Both container arrangement and freight&export expenses decreased by 2-5 times compared to the previous year. Furthermore, by the end of 2023, concerns regarding import disruption due to war prompted these customers to increase orders in the latter half of the year as a precautionary measure.



2. Revenue from sales of canned fish amounted to 185.57 million baht, a decrease of 15.62 percent (YoY) of which this amount was revenue from domestic sales and international sales at a proportion of approximately 16:84

2.1 Domestic sales revenue decreased by 2.83 million baht or 8.57 percent (YoY).

From the ease of the COVID-19 epidemic, canned food products have decreased in popularity from mid-2022 until 2023, coupled with increased selling prices due to higher raw material costs, led to a continued downturn in canned fish sales within the domestic market.

2.2 International sales revenue decreased by 31.53 million baht, representing 16.87 percent (YoY).

Following large orders placed at the end of 2022, demand for canned fish in the United States slowed in 2023 due to existing inventory levels and declining consumer demand.

3. Revenue from sales of healthy snacks amounted to 9.21 million baht, decreased by 8.00 percent (YoY).

3.1 Domestic sales revenue decreased by 2.56 million baht or a decrease of 47.50 percent (YoY)

A major domestic customer's significant order for sesame snacks in 2022 intended to cater to Chinese tourists did not yield the expected response, resulting in delayed orders.

3.2 International sales revenue increased by 1.76 million baht or an increase of 38.10 percent (YoY)

Driven by orders for vacuum-fried mango products aimed at exploring new overseas markets.

#### Gross profit and gross profit margin

Product Categories	Year 2023		Year 2022	
	Million Baht	gross profit margin	Million Baht	gross profit margin
1. Dehydrated fruits	257.38	15.77%	309.23	19.31%
2. Canned fish	26.04	14.03%	32.56	14.80%
3. Healthy snacks	0.96	10.42%	1.02	10.19%
<b>Total gross profit</b>	<b>284.38</b>	<b>15.56%</b>	<b>342.81</b>	<b>18.72%</b>

The cost of goods sold consists of raw material costs, production labor costs, cost of electricity and fuel essential for factory operations, Depreciation of factory buildings, machinery, and equipment, consumables costs, and packaging costs.

The Group Companies' gross profit decreased by 58.43 million baht and the gross profit margin decreased to 15.56 percent, with over 90.50 percent coming from gross profit from dehydrated fruits.



1. Gross profit of the dehydrated fruits declined by 51.85 million baht, accompanied by a reduction in the gross profit margin by 3.54 percent (YoY).

This decline can be attributed to the significant increase in the price of the main raw material, "mango," by more than 12 percent at the onset of the season, driven by heightened competition in the raw material market. Additionally, the scarcity of raw materials in 2023, exacerbated by drought conditions, further strained the supply chain, contributing to a decrease in the overall gross profit margin. Despite these challenges, the Group Companies managed to secure quality raw materials and fulfill customer orders, thereby reinstating customer trust and garnering continuous orders. Therefore, in 2023, sales of "Dried mangoes" accounted for approximately 10 percent higher than the previous year.

2. Gross profit of the canned fish was 6.52 million baht, accompanied by a decrease in the gross profit margin of 0.77 percent (YoY).

Gross profit decreased by 20.02 percent, which is in the same direction as sales revenue decreased by 15.62 percent. However, gross profit decreased more than sales revenue due to the persistent escalation in the price of fish as raw materials from 2021 to 2023. Consequently, the cost of canned fish production continued to rise at a higher rate than the adjustment in selling prices.

3. Gross profit of the healthy snacks experienced a marginal decrease of 0.06 million baht, yet the gross profit margin exhibited an increase of 0.23 percent (YoY).

This improvement was predominantly driven by a significant increase in the gross profit margin from domestic sales, surpassing 34.98 percent YoY, attributable to the introduction of new innovative products in 2023. Plus, continuous marketing efforts under the Meble and Bangkok Tasty brands, featuring products such as Plant-Based products, Boxset of crispy Thai desserts in 5 flavors, or crispy fried fruits, contributed to driving sales.

#### Other incomes and profits from exchange rates

Other incomes decreased 23.43 percent (YoY), attributable to enhanced production efficiency resulting in reduced scrap generation. Consequently, revenue from scrap sales plummeted by over 40 percent YoY, while income from export compensations decreased by more than 42 percent YoY, primarily due to a shift in the timing of international sales compared to the previous year. In 2022, a significant portion of international sales revenue was realized in the second quarter, with corresponding payments received within the fiscal year, thus resulting in export compensations being received within the same year. However, in 2023, most of the international sales revenue occurred in the third quarter, causing payment terms to extend into the fourth quarter and the beginning of 2024. Consequently, export compensations were deferred beyond the fiscal year 2023.



Foreign exchange profits decreased by 80.49 percent (YoY) from the full repayment of loans by a subsidiary. This repayment led to a reduction of more than 3.25 million US dollars in the company's financial assets, consequently resulting in a significant decline in foreign exchange profits derived from the valuation of financial assets.

#### Selling and distribution expenses

Selling and distribution expenses decreased by 9.55 percent (YoY) and accounted for 3.24 percent of sales revenue, representing a decline of 0.34 percent (YoY). This reduction was primarily driven by a decrease in export expenses resulting from a significant reduction in freight rates, ranging from approximately 2 to 5 times lower, attributed to the mitigation of container shortages for export packing compared to the previous year.

#### Administrative expenses

Administrative expenses decreased by 7.47 percent (YoY) and constituted 8.38 percent of sales revenue, marking a decline of 0.65 percent (YoY). This decrease can be attributed to no such one-time expenses related to the IPO and also Listing on the Stock Exchange of Thailand incurred in the current period.

#### Net profit and net profit margin

For the year 2023, the Group Companies experienced a decrease in net profit of 46.87 million baht, leading to a decline in the net profit margin to 3.09 percent. This decrease was attributed to the decline in gross profit margin due to factors mentioned earlier, along with reduced profits from foreign exchange rates. Despite effective control over sales and administrative expenses and a decrease in financial costs, income tax expenses decreased as well.