



Management Discussion and Analysis

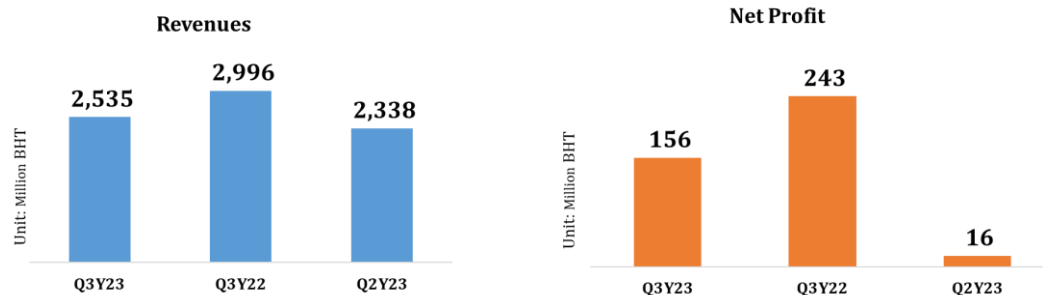
For Q3Y23 and 9M Y23

Executive Summary

ASIAN reported THB 2,535 million in core sales and revenue in Q3Y23, decreased 15.4% year on year due to lower Pet food sales pressure by de-stocking of key customer in USA and UK. Tuna sales also dropped from lower demand from middle east. In contrarily, aqua feed sales increased significantly YoY due to quality improvement.

ASIAN reported a net profit to the company of THB 156 million in Q3Y23, a 36% decrease year on year due to a low gross profit margin as pet food sales portion dropped. Moreover, aqua feed sales portion increase but with quite low gross profit compared to others.

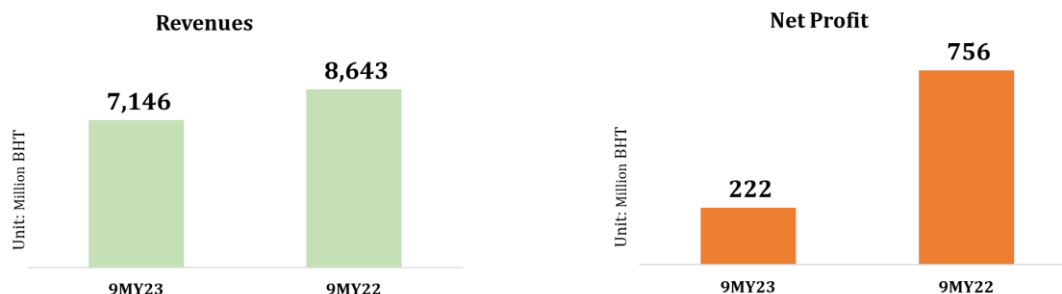
The earnings per share for Q3Y23 was THB 0.19. (Q3Y22: THB 0.30 per share).



ASIAN reported THB 7,146 million in core sales and revenue for 9-month Y23, 17.3% decrease YoY due to 32% decrease in pet food sales that dropped since late 2022 due to de-stocking of key customers. US and EU market consumption decreased since 1H Y23 and pressured frozen food sales dropped around 20%.

Aqua feed sales improved obviously as quality improve due to raw material and formula adjustments so that the company's aqua feed could better serve farmers. Aqua feed sales increased 38% YoY.

For 9M Y23, net profit fell 71% year on year to THB 222 million due to lower gross profit from significant dropped in pet food and frozen sales. THB 0.27 was earned per share for 9M Y23, lower compared to THB 0.93 per share in the same period last year.





Major Developments

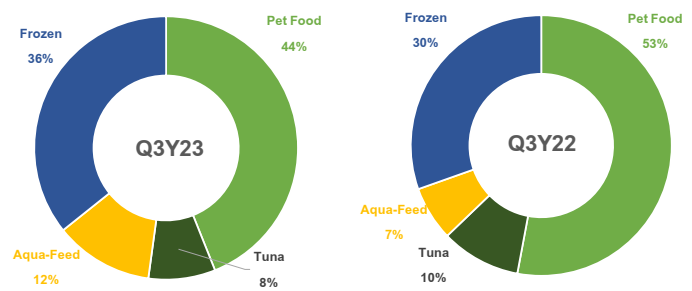
Business situation

Total sales volumes in Q3 Y23 fell 10% year on year to 19,189 tons. Total sales revenue (include inter-company sales) decreased 16% year on year to THB 2,614 million compared to THB 3,128 million in Q3 Y22, owing mostly to a significant reduction in pet food from de-stocking of key customers, even those improved compared to the last quarter. Tuna sales also dropped due o lower demand from Middle East market. Frozen food sales increased compared to last quarter mainly from US demand improvement in value-added frozen product as de-stocking end within 1H Y 23. However, frozen squid sales to Italy decreased compared to last quarter. Aqua feed sales improved year on year due to improvement in quality and formulation, but decreased from last quarter due to lower farming volume.

Pet food sales was main contributor still in Q3 Y23 with 44% to total sales, even lower from 53% in Q3 Y22. Frozen food and aqua feed sales portion increased to 36% and 12% respectively.

Sales By Business Segment				
	Q3Y23	Q3Y22	%Growth	Q2Y23
Volume (Mt)	19,189	21,205	-10%	20,662
Pet Food & Fishmeal Business	6,825	9,738	-30%	6,653
Tuna Business	1,252	1,754	-29%	1,305
Aquaculture Feed Business	8,254	6,571	26%	10,221
Frozen business	2,858	3,142	-9%	2,483
Revenues (Millions Baht)	2,614	3,128	-16%	2,369
Pet Food & Fishmeal Business	1,149	1,656	-31%	995
Tuna Business	214	309	-31%	217
Aquaculture Feed Business	316	211	50%	372
Frozen business	934	952	-2%	785

Remark: Revenues in the table is included intercompany sales.

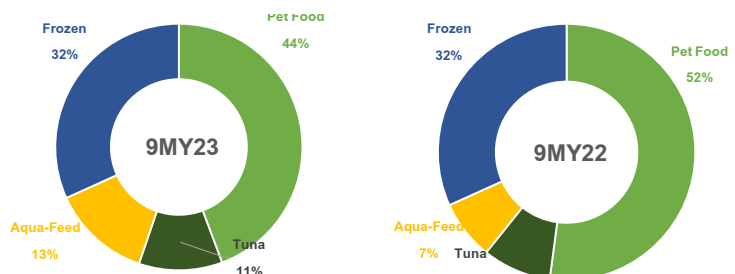


For 9M Y23, total sales volume decreased 11% year on year to 57,871 tons, attributable mostly to decrease in pet food sales volume due to stock volume adjustment in US and EU as lead time has been shorten. Frozen sales to US market also slow down due to the same reason even improved in Q3 Y23. Aqua feed sales increased 24% year on year.

Pet food sales portion over 9M Y23 was at 44%, highest portion still. Frozen sales contributed 33%, as same as same period last year. Aqua feed sales contributed 13%.

Sales By Business Segment			
	9MY23	9MY22	%Growth
Volume (Mt)	57,871	65,156	-11%
Pet Food & Fishmeal Business	20,846	29,408	-29%
Tuna Business	4,783	4,947	-3%
Aquaculture Feed Business	25,016	20,250	24%
Frozen business	7,227	10,551	-32%
Revenues (Millions Baht)	7,194	8,998	-20%
Pet Food & Fishmeal Business	3,188	4,689	-32%
Tuna Business	786	777	1%
Aquaculture Feed Business	934	675	38%
Frozen business	2,286	2,858	-20%

Remark: Revenues in the table is included intercompany sales.



Pet Food & Fishmeal

Sales volumes for 9M Y23 was lower than record high at the same period last year even most of the market impact from high freight cost. However, residual stock of key customers in both US and EU seem to be quite high cause of that record high volume. Then, demand in the period of 9M Y23 was lower due to key



customers de-stocking, especially in the past quarter. Sales revenue to US contributed more than 70% of total sales. EU market added on another 25% and the other contributed from Asia.

Pet food sales improved in Q3 Y23, but as those dropped significantly since 1H Y23, pet food sales for the year expected to decrease 28% to around THB 4.4 billion compared to THB 6.1 billion of last year.

In Q3 Y23, sales volumes were at 6,825 tons, 30% decreased compared to 9,738 tons in the same period last year. Sales revenue also dropped 31% from 1,656 million in Q3 2022 to THB 1,149 million.

For 9M Y23, sales volumes dropped 8,562 tons or 29% year on year to 20,846 tons while sales revenues fell 32% to THB 3,188 million compared to THB 4,689 million in the same period last year.

Competition in local pet food market was still very strong in every segment, from premium to low-end. Price became one of the factors pet owners consider on brand switching. The company, then, adjusted its marketing strategy to response with the current situation using marketing budget deeply in each channel, increased brand visibility, and tighten relationships with pet shops. Brand pet food sales for Q3 Y23 fell 7% year on year but increased slightly for 9M Y23 to THB 118 million.

Brand pet food sales in China were adversely affected by the economic downturn within the country. As a result, pet owners switched to purchasing low-end products in both dry and wet pet food. In response to this market shift, the company adapted its strategy by placing a stronger emphasis on online activities. To streamline operations and reduce costs, ASIAN made the decision to close down its office in Guangzhou in Q2 Y23. This strategic adjustment allowed the company to navigate the challenges posed by the economic downturn and changing consumer preferences in the Chinese market.

Tuna

Tuna sales volume and revenue for 9M Y23 was around the same level compared to the same period last year. Sales volume dropped 3% from 4,947 tons to 4,783 tons. However, sales revenues increased slightly from THB 777 million to THB 786 million mainly due to quite high volume in Q1 Y23. Tuna price was quite high throughout the year even decreased in Q3 Y23 compared to 1H Y23. Tuna price pressured on both sales volume and revenue so that Q3 Y23 sales volume and revenue fell 29% and 31% respectively. The company expected that total sales revenues of Tuna for the year will be at around THB 1.1 billion, slightly increase compared to last year. Major tuna market was Middle east which contributed more than 70%. Japan market contributed on another 20%.

Aquafeed

Along with the drop of shrimp farm volume and ex-farm price, ASIAN continuously improved its shrimp feed formula with quality ingredient since last year. Shrimp feed sales volume and revenue, then, saw a steady increase throughout the year. Aqua feed sales volume for 9M Y23 increased 24% from 20,250 tons to 25,016 tons, drove Aqua feed sales revenues to THB 934 million compared to THB 675 million in the same period last year, represent 38% increased. The company expected that Aqua feed sales for the year will be around THB 1.3 billion.

However, as shrimp farm volume dropped in the past Q3, sales volume declined QoQ, however, grew 26% from 6,571 tons to 8,254 tons. In the meantime, sales revenue increased 50% from THB 211 million to THB 316 million.

Frozen



Frozen is another segment which was significantly affected by de-stocking in US and EU, coupled with slowdown in both market consumption, so that 9M Y23 sales volumes fell 32%, mainly from frozen value-added products export to US. However, frozen value-added products sales volumes increased QoQ. Moreover, squid sales volumes decreased QoQ drove sales volumes to 2,858 tons. Sales revenue also decreased 9% from THB 952 million to THB 934 million. Looking ahead to the last quarter of the year, frozen sales were expected to further slow down due to world economic and inflation, including unrest situation in Middle east. As a result, the frozen revenue for the year were anticipated to decline 15% year on year to THB 2.9 billion.

Financial Review

Profitability Analysis

STATEMENT OF INCOME								Unit: Million Baht	
	Q3Y23	%	Q3Y22	%	Inc/(Dec) %	Q2Y23	%	Inc/(Dec) %	
Revenue from Sales & Services	2,535	100.0	2,996	100.0	(15.4)	2,338	100.0	8.4	
Cost of sales & services	(2,141)	(84.4)	(2,406)	(80.3)	(11.0)	(2,071)	(88.6)	3.4	
Gross Profit	395	15.6	590	19.7	(33.1)	267	11.4	47.6	
Operating Expenses	(178)	(7.0)	(215)	(7.2)	(17.1)	(161)	(6.9)	10.9	
Operating Profit	217	8.5	375	12.5	(42.3)	107	4.6	102.9	
Other incomes	20	0.8	27	0.9	(25.8)	19	0.8	6.2	
Gain/(Loss) on FX	(16)	(0.6)	(69)	(2.3)	(76.4)	(99)	(4.2)	(83.5)	
Other expenses	(1)	(0.0)	0	0.0		(12)	(0.5)	(93.5)	
Financial income (expense)	(7)	(0.3)	(21)	(0.7)	(67.2)	2	0.1	(387.0)	
Profit before tax	213	8.4	313	10.4	(31.9)	17	0.7	1,154.7	
Tax expenses (income)	22	0.9	70	2.3	(68.5)	(6)	(0.3)	(439.3)	
Net Profit	191	7.5	243	8.1	(21.4)	23	1.0	714.1	
Profit attributable to:									
Owners of the parent	156	6.1	243	8.1	(36.0)	16	0.7	897.9	
Non-controlling interests	35	1.4	0	0.0		8	0.3	350.3	
Total	191	7.5	243	8.1	(21.4)	23	1.0	714.1	
Earning Per Share	0.19		0.30			0.02			

Revenue from Sales & Services

In Q3Y23, ASIAN recorded THB 2,535 million in sales and services revenue, a 15.4% decrease year on year. Pet food and Tuna revenue decreased significantly, but partly offset with increased in Aqua feed revenues.

Gross Profit

Gross profit for Q3 Y23 was THB 395 million, a decrease of THB 195 million or 33.1% from the previous year's same quarter, and represented 15.6% of revenues, a decrease of 4.1% from the previous year due to significantly lower Pet food sales even high margin frozen VAP increased.

Operating expenses

Operating expenses for Q3Y23 totaled THB 178 million, decreased 17.1 % YoY, and consisted of selling and distribution charges and administrative expenses.

1. Selling and distribution expenses was THB 79 million, decrease of THB 37 million compared to THB 117 million in the same period last year.



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2. Administrative expenses excluding exchange rate losses totaled THB 99 million, a THB 0.5 million increase.

Financial cost

The financial cost for Q3Y23 was decreased due to THB 434 million long-term loan paid up during 9M Y23.

Tax expense (income)

Asian's subsidiary had BOI privileges and recorded more deferred tax asset from FX forward contract so that tax expense for the quarter decreased from THB 48 million to THB 22 million.

Net Profit and Earning per Share

ASIAN recorded a net profit for parent company shareholders of THB 156 million in Q3Y23, a fall of THB 87 million or 36.0% from the previous year's same quarter. ASIAN's earnings per share in Q3Y23 were THB 0.19. (Q3Y22: THB 0.30).

STATEMENT OF INCOME	Unit: Million Baht				
	9MY23	%	9M22	%	Inc/(Dec) %
Revenue from Sales & Services	7,146	100.0	8,643	100.0	(17.3)
Cost of sales & services	(6,274)	(87.8)	(7,031)	(81.4)	(10.8)
Gross Profit	871	12.2	1,612	18.6	(45.9)
Operating Expenses	(518)	(7.2)	(580)	(6.7)	(10.7)
Operating Profit	354	5.0	1,032	11.9	(65.7)
Other incomes	58	0.8	89	1.0	(34.5)
Gain/(Loss) on FX	(83)	(1.2)	(140)	(1.6)	(41.1)
Other expenses	(13)	(0.2)	0	0.0	
Financial cost	(12)	(0.2)	(53)	(0.6)	(77.8)
Profit before tax	305	4.3	928	10.7	(67.2)
Tax expenses (income)	18	0.3	172	2.0	(89.5)
Net Profit	287	4.0	756	8.7	(62.1)
Profit attributable to:					
Owners of the parent	222	3.1	756	8.7	(70.7)
Non-controlling interests	65	0.9	0	0.0	
Total	287	11.3	756	8.7	(62.1)
Earning Per Share	0.27		0.93		

Revenue from Sales & Services

In 9M Y23, total sales decreased from THB 8,643 million to THB 7,146 million, represent 17.3% decline due to pet food and frozen food sales drop which partly offset by increased in aqua feed sales.

Gross Profit

9M Y23 gross profit was THB 871 million, a decrease of THB 741 million or 45.9% over the same period previous year. Gross profit margin fell from 18.6% to 12.2% due to pet food and frozen value-added product sales drop. Both segments had higher gross profit margins compared to others.

Operating expenses

Operating expenditures totaled THB 518 million, a 10.7% decrease year on year, and were mostly made up of selling and distribution costs as well as administrative costs, which included the following:



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1. Selling and distribution expenditures decreased by THB 48 million to THB 237 million, mostly due to lower own-petfood brand marketing and sales distribution costs.
2. Administrative expenditures, excluding currency rate losses, totaled THB 280 million, THB 14 million decreased.

Financial cost

The financial cost for 9M Y23 was decreased due to short and long-term loan paid up in the period. Financial cost reduced rapidly from THB 53 million to THB 12 million.

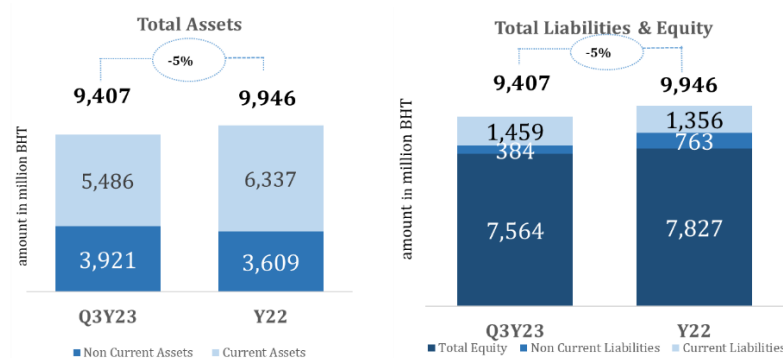
Tax expense (income)

In 9M Y23, tax expense was at THB 18 million, THB 154 million decrease year on year due to an increase in deferred tax asset from FX forward contract and BOI privileged from subsidiaries.

Net Profit and Earning per Share

ASIAN's net profit for parent shareholders in 9M Y23 was THB 222 million, a decrease of THB 534 million or 70.7% from the previous year. ASIAN's earnings per share in 9M Y23 were THB 0.27, decreased from THB 0.93 in the same period last year.

Financial Position



Total Assets

ASIAN decreased its total assets by THB 539 million, or 5%, from THB 9,946 million by the end of 2022 to THB 9,407 million at the end of September 2023. The significant contributors are as follows:

1. Cash on hand was THB 1,148 million, a decrease of THB 728 million.
2. Inventory decreased THB 68 million to THB 2,743 million.
3. Forward contract receivable decreased THB 115 million.
4. Total trade and other receivables increased by 114 million to THB 1,505 million.
5. Investment on joint venture increased by THB 250 million which was referred to property development joint venture of the company with Origin Group.

Total Liabilities

The total liabilities of ASIAN were THB 1,843 million at the 30th September 2023, decrease of THB 378 million or 13.0% compared to THB 2,119 million at the end of 2022. Deferred tax assets decreased THB 221



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million. Long-term loan decreased THB 434 million, which partly offset with THB 247 million increase in short-term loan.

Total Shareholders' equity

ASIAN had shareholders' equity of THB 7,564 million as of 30 September 2023, THB 263 million decreased from THB 7,827 million at the end of 2022, owing to dividend paid of THB 325 million in May 2023 which partly offset by profit for the period.

Statement of Financial Position			Unit: Million Baht		
	Q3Y23	%	Q4Y22	%	% Chg
Cash and cash equivalent	1,148	12.2	1,876	18.9	-38.8
Trade and other receivables	1,505	16.0	1,391	14.0	8.2
Inventories	2,743	29.2	2,811	28.3	-2.4
Other current assets	90	1.0	260	2.6	-65.2
Total current assets	5,486	58.3	6,337	63.7	-13.4
Investments	351	3.7	101	1.0	247.0
Fixed assets	3,414	36.3	3,351	33.7	1.9
Other non current assets	155	1.6	157	1.6	-0.9
Total non current assets	3,921	41.7	3,609	36.3	8.6
Total Assets	9,407	100.0	9,946	100.0	-5.4
Bank overdraft and short-term loans	315	3.4	68	0.7	360.5
Trade and other payables	758	8.1	696	7.0	8.8
Current portion of long-term loans	240	2.6	307	3.1	-21.8
Other current liabilities	146	1.6	285	2.9	-48.6
Total current liabilities	1,459	15.5	1,356	13.6	7.6
Long-term loans	169	1.8	536	5.4	-68.5
Other non current liabilities	216	2.3	227	2.3	-5.0
Total non current liabilities	384	4.1	763	7.7	-49.6
Total Liabilities	1,843	19.6	2,119	21.3	-13.0
Total shareholders' equity	7,564	80.4	7,827	78.7	-3.4
Total Liabilities and Equity	9,407	100.0	9,946	100.0	-5.4

Cash Flow

	Unit: Million Baht		
	Q3Y23	Q3Y22	Change
Cash flow from operating activities			
Profit before tax	305	928	(623)
Adjustments for:			
Depreciation & Amortisation	251	214	37
Other adjustments	6	(9)	15
Loss (gain) on exchange rate	191	41	150
Financial cost, net	12	53	(41)
Operating profit before working capital changes	764	1,227	(462)
Decrease (increase) in operating assets	44	(569)	613
Increase (decrease) in operating liabilities	41	(78)	119
Cash from operating activities	849	579	270
Interest net paid	(9)	(53)	44
Income tax net paid	(271)	(139)	(132)
Net cash (used in) from operating activities	569	387	182



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Operating activities

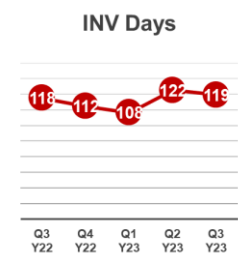
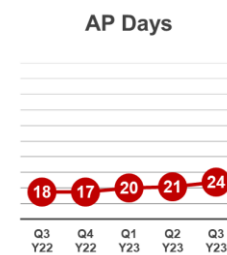
Cash flow from operating activities for 9M Y23 was THB 569 million, up THB 182 million from THB 387 million of the same period last year, even operation profit declined THB 623 million. This rise was primarily driven by reduced changes in operating assets of THB 613 million and increased in operating liabilities of THB 119 million.

Income tax net paid increased as high as THB 132 million mainly because of gain from IPO project of its subsidiaries.

As of 30 September 2023, the accounts receivable day and inventory day were 52 days and 122 days respectively compared to 49 days and 131 days previous year.

Working Capital

Unit: million Baht	3QY23	3QY22	2QY23
Inventories	2,743	2,912	2,901
Account Receivable	1,505	1,479	1,499
Cash & Other current assets	1,239	376	1,106
Account Payable	(758)	(687)	(671)
Other Payable	(52)	(113)	(82)
Net Working Capital	4,677	3,966	4,752
Inventory days	119	118	122
AR Days	54	46	52
AP Days	24	18	21



	Unit: Million Baht		
	Q3Y23	Q3Y22	Change
Cash flow from investing activities			
Purchases of property, plant and equipment	(284)	(493)	210
Proceed of sales equipments and investment property	3	8	(4)
Investment to JV	(177)	-	(177)
Long term loan to JV	(86)	5	(91)
Restricted bank deposit		19	(19)
Net cash from (used in) investing activities	(543)	(462)	(81)
Cash flow from financing activities			
Bank borrowings raised	247	1,159	(912)
Repayment of bank borrowings	(434)	(459)	25
Repayment of lease liabilities	(16)	(10)	(6)
Dividend paid	(550)	(529)	(21)
Net cash (used in) from financing activities	(753)	160	(913)
Effect of foreign exchange rate changes	-	(0)	0
Net increase (decrease) in cash and cash equivalents	(728)	85	(813)
Cash and cash equivalents at beginning of period	1,876	89	1,787
Cash and cash equivalents at end of period	1,148	174	974

Investing activities

Cash flow used in investing activities decreased by THB 81 million year on year due to the investment in improving building and increased dry petfood production capacity last year, meanwhile, in the course of 9M 23, the company invested THB 177 million in property development project.



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Financing activities

In the course of 9M end 30th September 2023, the company has THB 912 million lower in bank loan. THB 434 million of long-term loan were paid up. THB 550 million dividend has been paid so that net cash used in in financing activities for the period was at THB 753 million.

Key Financial Ratios

	Q3Y23	Q3Y22	Q2Y23		Q3Y23	Q3Y22	Q2Y23
Growth Rates				Profitability Ratios			
Sales Growth	-15.4%	23.4%	-16.8%	Return on equity*	7.2%	23.9%	8.8%
Net Profit Growth	-36.0%	-10.4%	-94.1%	Return on assets**	4.7%	12.3%	5.8%
				Total Assets Turnover***	102.8%	133.8%	110.3%
Leverage and Liquidity Ratios				Net Profit margin	6.1%	8.1%	0.7%
Current ratio	3.8	1.6	4.3	Gross profit margin	15.6%	19.7%	11.4%
Quick or acid test ratio	1.8	0.6	1.9				
Debt to equity ratio	0.3	0.9	0.3				
Net Debt to equity ratio	(0.1)	0.6	(0.1)				

* Using last 4 consecutive quarters net profit divided by end quarter equity

** Using last 4 consecutive quarters net profit divided by end quarter total assets

*** Using last 4 consecutive quarters sales divided by end quarter total assets

Y2023 Outlook:

The company expected that:

1. Total sales for the year: Total sales for the year would be around 14% lower than last year mainly from Pet food and Frozen food which were impact from de-stocking as mentioned above.
2. Gross profit margins: The company expected that its gross profit margin for the year will be in a range of 12-13% to sales revenues due to an improvement in the past Q3
3. Capital Expenditures for the year would be around THB 671 million. The details are as follow: -
 - a. THB 473 million for expansion capacity for petfood business.
 - b. THB 54 million for dry pet food production and new boiler replacement
 - c. THB 144 million for solar roof projects and improving operation efficiency