

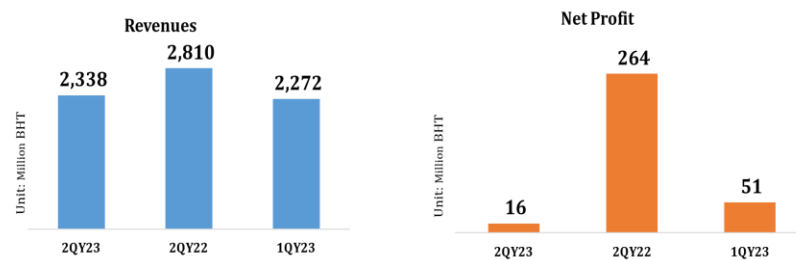


Management Discussion and Analysis

For Q2Y23 and 1HY23

Executive Summary

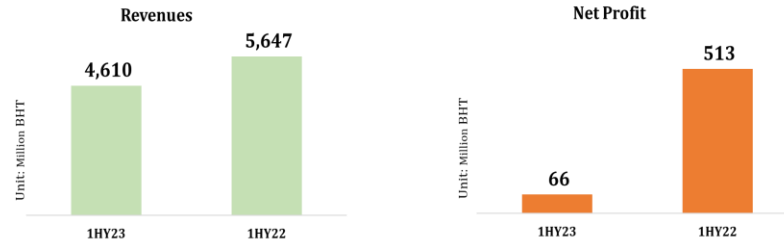
- ASIAN's Q2Y23 core sales and revenue amounted to THB 2,338 million, reflecting a significant decrease of 16.8% in comparison to the corresponding quarter of the previous year. This notable decline was primarily attributed to the underperformance of the pet food and frozen businesses, which exerted substantial pressure on the company's financial results.
- In Q2Y23, ASIAN reported a net profit of THB 16 million, representing a substantial decrease of 94.0% compared to the corresponding period in the previous year. This decline was mainly attributable to a relatively low gross profit margin. The earnings per share stood at THB 0.02, signifying a significant decrease from the earnings per share of THB 0.32 recorded in Q2Y22.



- During the first half of the current year, ASIAN recorded a core revenue of THB 4,610 million, signifying an 18.4% YoY decrease. The decline in sales volume of frozen and pet food products was notable, with a 41% and 28% YoY drop, respectively, with 4,369 tons and 14,081 tons sold. These factors were the primary contributors to the overall revenue decline.

Conversely, there was a significant increase in aquaculture feed sales, rising by 22%. This growth was primarily attributed to the continuous improvement in product quality, driving higher demand for the company's aquaculture feed offerings.

- In the first half of this year, ASIAN achieved a net profit of THB 66 million, representing a significant decrease of 87.0% compared to last year. This decline can be attributed to lower sales for pet food and frozen products, along with reduced gross profit margins.
- The earnings per share for this period stood at THB 0.08 per share, which is notably lower than the earnings per share of THB 0.63 recorded during the first half of the previous year.
- The company will pay THB 65.13 million interim dividend from net profit attributable to equity holders of the company, which was equal THB 0.08 per share, on September 8th, 2023, due to Board's resolution from the No.4/2023 Board meeting. The record date will be on August 25th, 2023.



Major Developments

Business situation

The export outlook for the first half of Y23 is encountering various challenges, these challenges include:

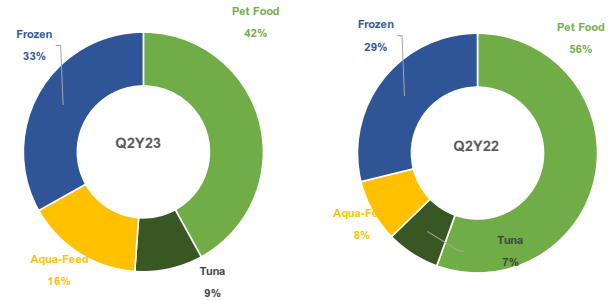
- **Uncertain Recovery of Major markets:** The recovery of major markets, particularly the USA and Europe, is uncertain. Consumption in these regions remains low, and China's economy is recovering at a slower pace than initially anticipated.
- **Impact of High Global Interest Rates:** The prevailing high global interest rates are a consequence of the economic slowdown, exerting a financial burden on businesses.
- **Escalating Production Costs:** The sustained high production costs, notably in electricity and production materials, are affecting Thailand's competitiveness in the global market.
- **Climate Change Vulnerability:** Thailand's agricultural sector faces a significant risk from climate change, particularly with regards to the El Nino phenomenon.

In the second quarter, ASIAN exported to main markets which are the USA and the Eurozone, account for more than 60% of ASIAN core revenues. US market declined more than 40% mainly came from pet food sales as resulted from overstocking and sluggish demand in premium pet food. Nonetheless, this decline was partially offset by a modest recovery in frozen seafood sales.

Due to a decline in shrimp exports, there has been increased pressure on domestic shrimp prices and the net income of shrimp farmers. Consequently, this year's shrimp production is expected to be lower than the previous year. ASIAN, on the other hand, has experienced significant market share growth of 37% due to its focus on quality improvement compared to the previous year.

In Q2Y23, our total sales volume was 20,723 tons, which decline by 8% YoY. Total revenue, including intercompany transactions, decreased by 19% to THB 2,319 million from 2,911 million. This decline was mainly due to shortfall in revenue from pet food business.

Sales By Business Segment				
	Q2Y23	Q2Y22	%Growth	Q1Y23
Volume (Mt)	20,723	22,445	-8%	18,020
Pet Food & Fishmeal Business	6,714	10,010	-33%	7,367
Tuna Business	1,305	1,346	-3%	2,227
Aquaculture Feed Business	10,221	7,487	37%	6,541
Frozen business	2,483	3,603	-31%	1,886
Revenues (Millions Baht)	2,369	2,911	-19%	2,212
Pet Food & Fishmeal Business	995	1,616	-38%	1,045
Tuna Business	217	210	3%	354
Aquaculture Feed Business	372	246	51%	245
Frozen business	785	839	-6%	567

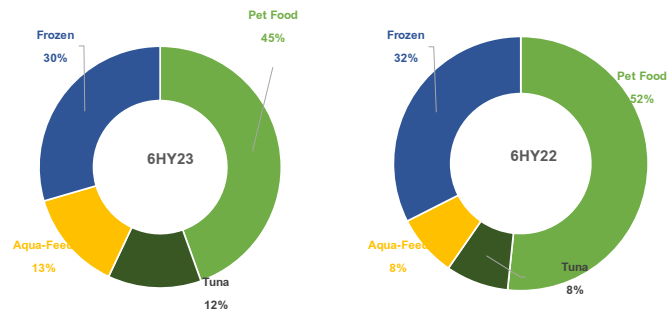


Remark: Revenues in the table is included intercompany sales.

The reduction in volume sales of the pet food business in the previous quarter, followed by a continued decline in the second quarter, be primarily attributed to decreased orders from the US market. This decline was a result of overstocking that took place since the fourth quarter of the previous year, along with a decrease in volume sales from the frozen business due to a decline in retail consumption in the US market. These factors led to an overall 12% decrease in total volume sales.

Furthermore, the total revenue experienced a significant decline of 22%, which can be mainly attributed to decreased sales in both the pet food and frozen business segments.

Sales By Business Segment			
	6HY23	6HY22	%Growth
Volume (Mt)	38,743	43,960	-12%
Pet Food & Fishmeal Business	14,081	19,669	-28%
Tuna Business	3,531	3,193	11%
Aquaculture Feed Business	16,762	13,688	22%
Frozen business	4,369	7,409	-41%
Revenues (Millions Baht)	4,581	5,871	-22%
Pet Food & Fishmeal Business	2,040	3,033	-33%
Tuna Business	571	468	22%
Aquaculture Feed Business	617	464	33%
Frozen business	1,352	1,907	-29%



Remark: Revenues in the table is included intercompany sales.

Pet Food & Fishmeal

Pet food sales are expected to face challenges in 2023 due to loss of volume sales to US market. This is evident from volume sales in the first half of this year slowed down by more than 40% compared to previous year. This is especially true for high-value markets "USA" where pet food sales fell by 33% due to overstocking since late last year. The strong Baht also puts pressure on volume sales, as a result, ASAIN anticipates that pet food sales in 2023 may decline by 24% which a value around THB 4.7 billion.

In Q2Y23, there was a significant 33% decline in sales volume, which amounted to 6,714 tons, compared to the previous year's figure of 10,010 tons. Among the product categories, Cup pet food experienced the most substantial decline, with its sales volume decreasing by 40%.

During the first half of this year, the sales volume further decreased by 28%, totaling 14,081 tons compared to 19,669 tons in the previous year. The largest reduction in sales volume was in the Can pet food category, which experienced a substantial decline of 42%. This decline can be attributed to the diminishing orders from the US and Eurozone markets, impacting the overall performance of the company in this business.



The company, with ownership of the pet food brands "monchou," "Hajiko," and "Pro," experienced a commendable 10% increase in sales during the first half of this year. This growth was primarily driven by the robust performance of the "Pro" brand.

Throughout first half of the year, Thai pet food market witnessed intense competition in marketing activities. Numerous new brands entered the market, particularly in the mainstream segment. Despite these challenges, the company managed to achieve significant sales growth, demonstrating its ability to navigate a highly competitive environment successfully.

Tuna

In the second quarter of 2023, there was a slight decrease in sales volume, down by 3% compared to the same quarter of the previous year. The sales volume reached 1,305 tons, down from 1,346 tons recorded in the previous year same quarter. However, despite the decline in sales volume, the revenue witnessed a 3% YoY increase, up from THB 210 million to THB 217 million. This increase in revenue can be attributed to higher TUNA costs during the period.

The Middle East continues to be the major market, contributing to 64% of the total revenue. Despite the unchanged TUNA price in the second quarter, this was primarily due to low catch leading to tighter inventory levels. Additionally, it is expected that TUNA prices will remain steady throughout the year due to factors such as the FAD ban and climate changes impacting the industry.

Aquafeed

Global shrimp production and price situation in 1HY23 has been characterized by an oversupply of shrimp, which has led to a decline in price. This oversupply is due to a number of factors, including:

- A sharp increase in shrimp production in Ecuador, one of the world's leading shrimp producers.
- The beginning of shrimp harvesting season in other major producing countries such as India, Vietnam, Indonesia and Thailand.
- A slowdown in shrimp imports by major importing countries, e.g. US due to an oversupply of shrimp in their own stocks.
- Global economic recession and inflation, which have led to a decline in consumer spending on seafood.
- The impact of the conflict of Russia-Ukraine, which has disrupted supply chains and increased the cost of food.

This decline is expected to continue in the second half of the year, as the oversupply of shrimp is expected to remain.

Despite the current market conditions with low shrimp prices, ASIAN has continuously improved the quality of its shrimp feed since previous year. This has led to increased acceptance by farmers. As a result, sales volume of aquafeed have increased by 37%, from 7,487 tons to 10,221 tons. In the first half of this year, aquafeed sales volume increased by 22% from 13,688 tons to 16,762 tons.



Frozen

Frozen seafood exports to the United States and Europe increased in the second quarter of 2023, compared to the previous quarter and the same quarter of 2022. In particular, Italy saw a significant increase in squid exports. However, domestic sales of frozen seafood decreased, resulting in a 31% decline in total sales from 3,603 tons to 2,483 tons.

The main markets remain concerned about the global economic slowdown and rising energy prices. In addition, the low level of orders in the previous quarter led to a 41% decline in frozen seafood exports in the first half of 2023, from 7,409 tons to 4,369 tons.

It is estimated that frozen seafood exports for 2023 may decline by about 15-16% compared to 2022.

Financial Review

Profitability Analysis

STATEMENT OF INCOME		Unit: Million Baht						
	2QY23	%	2QY22	%	Inc/(Dec) %	1QY22	%	Inc/(Dec) %
Revenue from Sales & Services	2,338	100.0	2,810	100.0	(16.8)	2,272	100.0	2.9
Cost of sales & services	(2,071)	(88.6)	(2,265)	(80.6)	(8.6)	(2,063)	(90.8)	0.4
Gross Profit	267	11.4	545	19.4	(50.9)	209	9.2	27.7
Operating Expenses	(161)	(6.9)	(165)	(5.9)	(2.9)	(179)	(7.9)	(10.2)
Operating Profit	107	4.6	380	13.5	(71.9)	31	1.3	249.4
Other incomes	19	0.8	35	1.3	(46.2)	19	0.8	(0.1)
Gain/(Loss) on FX	(99)	(4.2)	(84)	(3.0)	18.2	33	1.4	(403.7)
Other expenses	(12)	(0.5)	0	0.0		0	0.0	(30,648.3)
Financial income (expense)	2	0.1	(18)	(0.6)	(113.0)	(7)	(0.3)	(131.9)
Profit before tax	17	0.7	313	11.1	(94.6)	75	3.3	(77.3)
Tax expenses (income)	(6)	(0.3)	49	1.7	(113.3)	3	0.1	(345.4)
Net Profit	23	1.0	264	9.4	(91.1)	72	3.2	(67.5)
Profit attributable to:								
Owners of the parent	16	0.7	264	9.4	(94.1)	51	2.2	(69.1)
Non-controlling interests	8	0.3	0	0.0		22	1.0	(100.0)
Total	23	1.0	264	9.4	(91.1)	72	3.2	(67.5)
Earning Per Share	0.02		0.32			0.06		

Revenue from Sales & Services

In second quarter of 2023, ASIAN's sales and service revenue amounted to THB 2,338 million, reflecting a year-on-year decrease of 16.8%. The significant drop in revenue from pet food was mainly caused by excessive inventory in the United States, which is our key market. Aquafeed revenue increased as a result of quality improvement, with shrimp feed dominating the product mixed.

Gross Profit

The gross profit in Q2 2023 was THB 267 million, which marked a decline of THB 278 million or 50.9% from the same quarter in the previous year. This gross profit accounted for 11.4% of the



revenue, representing a drop of 7.0% from the previous year. The decrease was primarily due to reduced production in pet food businesses, along with higher costs of raw materials.

- Reduced production in pet food business: Pet food business is its largest revenue contributor, and the decline in production in this segment had a significant impact on ASIAN's gross profit. This decline was mainly due to excessive inventory in the US.
- Higher costs of raw materials: raw materials cost e.g. fishmeal and soybean meal, has increased significantly in recent years.

ASIAN's gross profit in Q2Y23 was still in line with the expectations, however, it will be able to improve gross profit margin in the coming quarters.

Operating expenses

The second quarter of 2023, ASIAN's operating expenses totaled THB 161 million, which is a 2.9% decrease compared to the same period last year. These expenses consisted of costs related to the selling and distribution, along with administrative expenses.

1. Selling and distribution expenses was lower from the previous year, totaling THB 73 million.
2. Administrative expenses, which exclude exchange rate losses, totaled THB 88 million. The increase of THB 7 million.

Financial (income) expense

The decline in financial expense was primarily due to the repayment of short-term and long-term borrowing during the first half of 2023. The company repaid THB 379 million in long-term borrowing during this period. This repayment of debt resulted in a lower interest expense for the company.

ASIAN also had higher cash on hand from its IPO project. ASIAN raised THB 3.5 billion from its IPO, which was used to pet food capacity expansion, second automation warehouse, repay debt and working capital. This increase in cash on hand also resulted in a higher interest income for the company.

Net Profit and Earning per Share

ASIAN recorded a net profit for parent company shareholders of THB 16 million in Q2Y23, a fall of THB 248 million or 94.1% from the previous year's same quarter profit of THB 264 million. ASIAN's earnings per share in Q2Y23 were THB 0.02. (Q2Y22: THB 0.32).

The decline in net profit was primarily due to following factors:

- Reduced sales volume: Sales volume decreased by 16.8%, primarily due to the excessive stock for pet food in the United States.
- Increased costs of service: Costs increased by 8.6%, primarily due to the increase in the cost of raw materials and the appreciation of the Thai baht.



STATEMENT OF INCOME	Unit: Million Baht				
	1HY23	%	1HY22	%	Inc/(Dec) %
Revenue from Sales & Services	4,610	100.0	5,647	100.0	(18.4)
Cost of sales & services	(4,134)	(89.7)	(4,625)	(81.9)	(10.6)
Gross Profit	477	10.3	1,022	18.1	(53.3)
Operating Expenses	(339)	(7.4)	(365)	(6.5)	(7.0)
Operating Profit	137	3.0	657	11.6	(79.1)
Other incomes	38	0.8	62	1.1	(38.4)
Gain/(Loss) on FX	(66)	(1.4)	(71)	(1.3)	(6.7)
Other expenses	(12)	(0.3)	0	0.0	
Financial cost	(5)	(0.1)	(32)	(0.6)	(84.5)
Profit before tax	92	2.0	615	10.9	(85.1)
Tax expenses (income)	(4)	(0.1)	103	1.8	(103.7)
Net Profit	96	2.1	513	9.1	(81.3)
Profit attributable to:					
Owners of the parent	66	1.4	513	9.1	(87.1)
Non-controlling interests	30	0.6	0	0.0	
Total	96	4.1	513	9.1	(81.3)
Earning Per Share	0.08		0.63		

Revenue from Sales & Services

For the first half of this year, core revenue from sales & services substantially decreased from THB 5,647 million last year to THB 4,610 million representing decrease of 18.4%. This decline can primarily be attributed to lower sales in pet food and frozen seafood segment.

- Pet food business is ASIAN's largest revenue contributor and a decline in sales in this segment had a significant impact on total core revenue. This decline was mainly due to overstocking in US market.
- Frozen seafood business is also a major revenue contributor for ASIAN, and the decline in sales in this segment also had a significant impact on total core revenue. This decline was primarily due to global economic slowdown and rising energy prices.

Gross Profit

The gross profit for the first half of this year amounted to THB 477 million, reflecting a decline of THB 545 million or 53.3% compared to the corresponding period in the previous year. The decline in gross margin from 18.1% to 10.3% this year can be attributed to the combination of higher raw material costs and lower sales volume in the pet food and frozen seafood segments.

Operating expenses

Operating expenses totaled THB 339 million, a decrease of 7.0% YoY, mostly comprised of selling and distribution expenses and administrative expenses, and included the following:

1. Selling and distribution expenses amounted to THB 158 million, a decrease of THB 11 million attributable mostly to low own-brand marketing costs and sales distribution activities.
2. Administrative expenses, excluding exchange rate losses, totaled THB 182 million, a decrease of THB 15 million.



Financial cost

The decrease in financial expenses can be attributed to the successful repayment of both short-term and long-term borrowings in the first half of 2023. The company experienced a reduction in interest expense as a consequence of the debt repayment.

ASIAN's increased financial income can be attributed to its augmented liquidity position, resulting in a higher cash balance. ASIAN successfully generated THB 3.5 billion through its initial public offering (IPO).

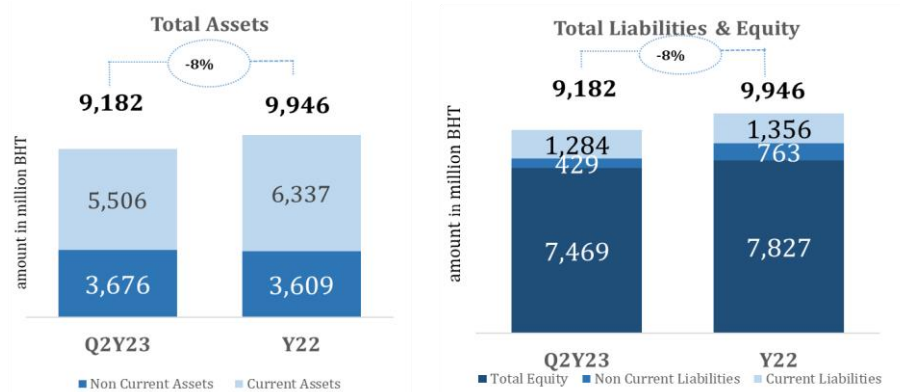
Tax expense (income)

During the first half of 2023, ASIAN experienced an increase in deferred tax assets resulting from forward contract liabilities, which subsequently led to a reduction in tax expenses amounting to THB 106 million.

Net Profit and Earning per Share

In the first half of 2023, ASIAN recorded a net profit of THB 66 million, reflecting a decline of THB 447 million or 87.1% compared to the previous year's profit of THB 513 million. ASIAN's earnings per share for the first half of 2023 amounted to THB 0.08, representing a decline from the previous year's figure of THB 0.63.

Financial Position



Total Assets

Total assets decreased by 7.7%, or THB 763 million, to THB 9,182 million in 2QY23 from THB 9,946 million in 2022. The primary contributor to this decline was the decrease in cash on hand, which fell by THB 908 million to THB 967 million. However, this was offset by increases in account receivables and inventories, which rose by THB 108 million and THB 90 million, respectively, to THB 1,499 million and THB 2,901 million. The increases in account receivables and inventories may be due to increased sales and production, respectively.



Total Liabilities

ASIAN's total liabilities decreased by 19.1%, or THB 405 million, to THB 1,713 million in 2QY23 from THB 2,119 million in 2022. The primary factor contributing to this decrease was the early repayment of THB 270 million in long-term loans using funds from the IPO project as well as repayment of THB 105 million in long-term loans per schedule.

Total Shareholders' equity

ASIAN's shareholders' equity decreased by THB 358 million, or 4.4%, to THB 7,469 million as of 30 June 2023 from THB 7,827 million at the end of 2022. The decrease was due to a combination of dividend payout and profit for the year. The dividend payout was THB 325 million, which was paid out in May Y23.

Cash Flow

	Unit: Million Baht		
	Q2Y23	Q2Y22	Change
Cash flow from operating activities			
Profit before tax	92	615	(523)
Adjustments for:			
Depreciation & Amortisation	164	139	25
Other adjustments	8	(0)	9
Loss (gain) on exchange rate	207	48	159
Financial cost, net	5	32	(27)
Operating profit before working capital changes	476	834	(359)
Decrease (increase) in operating assets	(157)	(734)	577
Increase (decrease) in operating liabilities	(36)	73	(109)
Cash from operating activities	282	173	110
Interest net paid	(3)	(32)	29
Income tax net paid	(236)	(27)	(209)
Net cash (used in) from operating activities	44	113	(70)

Operating activities

Cash flow from operating activities in the first half of 2023 was THB 44 million, indicating a decrease of THB 70 million compared to the same period of the previous year, which was net cash from operating activities of THB 113 million.

The main factor contributing to this decline was the decrease in operating profit by THB 359 million. This was offset by better changes related to operating assets, primarily caused by a decrease of THB 577 million in accounts receivables and inventories.

Higher income tax paid in the first half of this year by THB 209 million also contributed to the decline in cash flow from operating activities. This income tax mainly came from capital gains on sales investment for IPO project.

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



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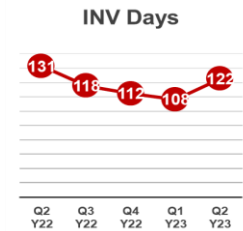
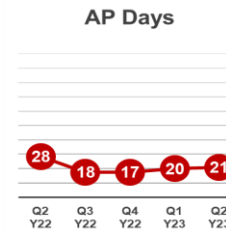
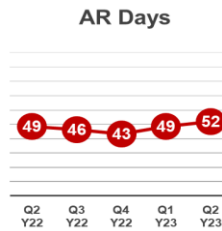
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Working Capital

Unit: million Baht	2QY23	2QY22	1QY23
Inventories	2,901	3,062	2,617
Account Receivable	1,499	1,468	1,467
Cash & Other current assets	1,106	305	1,898
Account Payable	(671)	(912)	(681)
Other Payable	(82)	(145)	(295)
Net Working Capital	4,752	3,778	5,007
Inventory days	122	131	108
AR Days	52	49	49
AP Days	21	28	20



	Unit: Million Baht		
	Q2Y23	Q2Y22	Change
Cash flow from investing activities			
Purchases of property, plant and equipment	(210)	(300)	90
Proceed of sales equipments and investment property	1	3	(2)
Investment to JV	(2)	-	(2)
Net cash from (used in) investing activities	(211)	(297)	87
Cash flow from financing activities			
Bank borrowings raised	102	890	(788)
Repayment of bank borrowings	(379)	(359)	(20)
Repayment of lease liabilities	(11)	(7)	(4)
Dividend paid	(453)	(325)	(127)
Net cash (used in) from financing activities	(741)	198	(939)
Effect of foreign exchange rate changes	(0)	(0)	(0)
Net increase (decrease) in cash and cash equivalents	(908)	14	(922)
Cash and cash equivalents at beginning of period	1,876	89	1,787
Cash and cash equivalents at end of period	967	102	865

Investing activities

Cash flow used in investment activities decreased by THB 87 million in comparison to the previous year. This can mainly be attributed to the company's previous year investments in increasing petfood production capacity as well as investing in a dry pet food production.

Financing activities

In the first half of 2023, ASIAN repaid THB 379 million in loans, compared to THB 359 million in the same period of the previous year. ASIAN also raised THB 102 million in bank borrowing, which was lower than the THB 890 million raised in the previous year.

ASIAN's financial position has improved significantly in the past year. This was due to increased cash flow from operations and the IPO project in late last year. The company was able to repay its loans early and reduce its debt burden as a result.



Key Financial Ratios

	2QY23	2QY22	1QY23		2QY23	2QY22	1QY23
Growth Rates				Profitability Ratios			
Sales Growth	-16.8%	12.4%	-19.9%	Return on equity*	8.8%	24.8%	12.3%
Net Profit Growth	-94.1%	-9.8%	-79.7%	Return on assets**	5.8%	12.6%	8.1%
				Total Assets Turnover***	110.3%	126.5%	110.1%
Leverage and Liquidity Ratios				Net Profit margin			
Current ratio	4.3	1.5	4.8	Gross profit margin	11.4%	19.4%	9.2%
Quick or acid test ratio	1.9	0.5	2.6	* Using last 4 consecutive quarters net profit divided by end quarter equity			
Debt to equity ratio	0.3	1.0	0.3	** Using last 4 consecutive quarters net profit divided by end quarter total assets			
Net Debt to equity ratio	(0.1)	0.6	(0.2)	** Using last 4 consecutive quarters sales divided by end quarter total assets			

Y2023 Outlook:

We anticipate that the US market, our primary market, will experience sluggishness in the second half of this year due to an economic slowdown, particularly in the pet food business. This slowdown has been ongoing since the beginning of the year and is compounded by geopolitical uncertainty in Europe.

The economic slowdown in the US is being driven by a number of factors, including rising inflation, interest rates, and supply chain disruptions. The geopolitical uncertainty in Europe is due to the ongoing conflict between Russia and Ukraine.

However, we are optimistic that the frozen seafood business will improve due to improving consumer spending in the US and Europe, especially as VAP orders return to normal levels.

As a result, our forecast for this year is as follows:

1. Core sales & revenue: We expect core sales & revenue to drop by 11% from Y22.
2. Gross profit margin: We expect gross profit margin to be in the 10-11% range.
3. Capital expenditure: We plan to allocate THB 473 million towards expanding the capacity of the pet food business and improving operational efficiency. We will also allocate THB 54 million towards dry pet food production and replacing the existing boiler with a new one. Finally, we will allocate THB 144 million towards solar roof projects and improving operational efficiency.

The total capital expenditure for 2023 is expected to be THB 671 million, which is a decrease of THB 700 million from the previous plan. The decrease is due to the postponement of some projects that were not considered to be a priority.