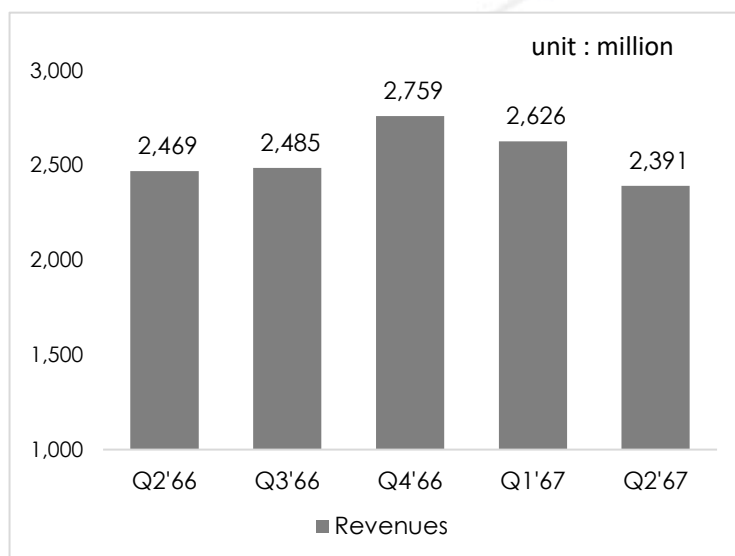


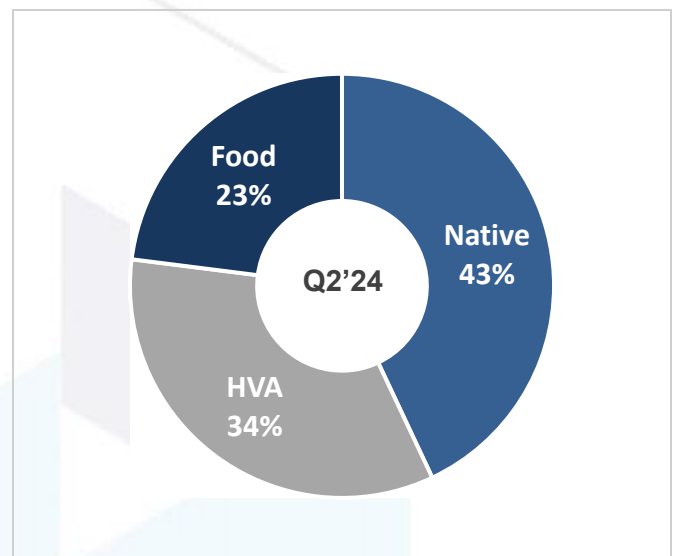
THAI WAH PCL

Management Discussion and Analysis For Q2'24 Performance ended June 30, 2024

Sale Revenue Breakdown by Quarter



Sales Breakdown by Business



Key summary of Revenue for Q2 and 1H 2024

In Q2/2024, the Company consolidated Sales comprised revenue from the Native tapioca business THB 943 million or 39 percent, the High value-added (HVA) products business THB 885 million or 37 percent, and the Food business THB 563 million or 24 percent. The group's sales were THB 2,391 million, which decreased by THB 130 million or 5 percent over the same period last year.

The gross profit margin for Q2 recorded 14 percent, which increased 5 percent QoQ. The main reason for the increase in the margin is because raw material cost increased sharply in Q2/23 and the incremental rate of raw material costs was higher than the incremental rate of selling prices in last year. Additionally, some forward sales resulted in a lower margin for the previous year.



For the 1H/2024 sales, the Company consolidated Sales comprised revenue from the Native tapioca business THB 2,161 million or 43 percent, the High value-added (HVA) products business THB 1,722 million or 34 percent, and the Food business THB 1,134 million or 23 percent. The group's sales were THB 5,017 million, which increased by THB 31 million or 1 percent from last year.

The gross profit margin for 1H/2024 recorded 16 percent, which is at the same level as the previous year. Although the Food business increased by 2 percent due to a decrease in the import prices of key raw materials this year, the Native tapioca business decreased by 1% percent due to price competition in China, which prevented the company from adjusting prices in line with the rising raw material costs.

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

(Unit: million Baht)

	Q2'67	Q2'66	QoQ	Q2'67	Q2'66	YoY
Sales	2,391	2,469	-3%	5,017	4,986	1%
COGS	2,068	2,171	-5%	4,235	4,205	1%
GP	324	298	9%	783	781	0%
SG&A	383	354	8%	756	732	3%
Other income*	18	12	52%	44	34	30%
EBIT	(41)	(44)	8%	71	83	-14%
Finance cost	29	21	37%	55	38	44%
EBT	(69)	(65)	-7%	17	45	-63%
Income tax	6	(3)	303%	20	23	-13%
Net Profit (loss)	(75)	(62)	-22%	(3)	22	-116%
Share to NCI	(15)	(16)	4%	(9)	(17)	45%
Share to equity holder	(60)	(46)	-31%	6	39	-85%
EPS (THB/share)	(0.07)	(0.05)	-31%	0.01	0.04	-85%
FX: USD/THB	36.7	34.5	6%	36.1	34.2	6%
GPM (%)	14%	12%	1%	16%	16%	0%
%SG&A/Sales	16%	14%	2%	15%	15%	0%
NPM (%)	-3%	-3%	-1%	0%	0%	-1%

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

Revenue from Tapioca Starch and High value-added Businesses

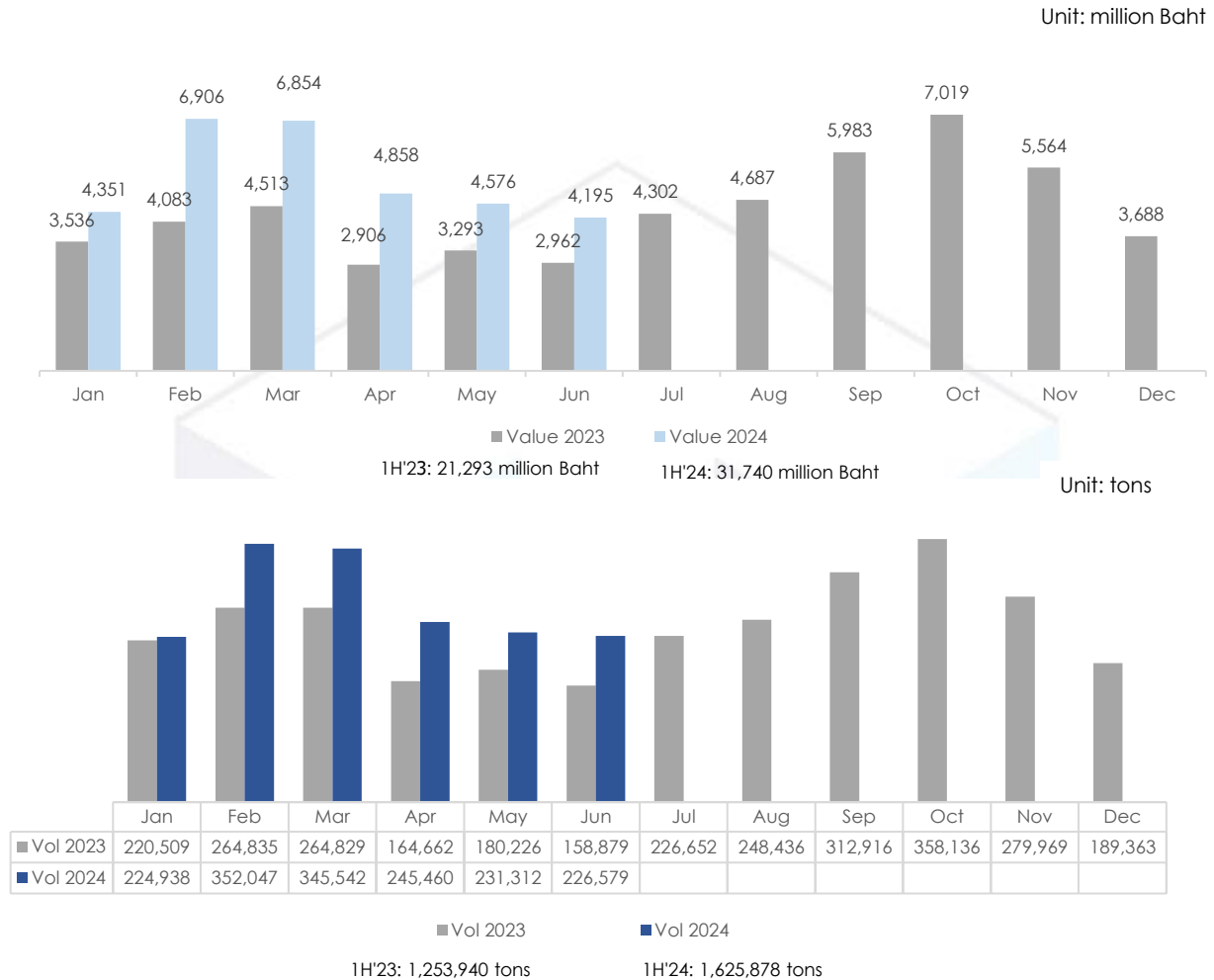
In Q2/2024, the sale of tapioca starch business was THB 943 million, which had decreased by 6 percent from last year. The high value-added (HVA) products business sales were THB 885 million, reduced by 6 percent from last year.

Although the prices of tapioca starch and high value-added (HVA) are higher than the previous year. However, sales decreased due to price competition in the Chinese market, which has led some customers to delay their purchases. As a result, the sales volume of the tapioca starch business has decreased by 11 percent, and high value-added (HVA) decreased by 9% compared to the previous year.

For the 1H/2024, the sale of tapioca starch business was THB 2,161 million, which had decreased by 7 percent from last year. The high value-added (HVA) products business sales were THB 1,722 million increased by 7 percent from last year.

The decreased sales of native tapioca starch resulted from the price competition in the Chinese market, The high value-added (HVA) products business sales continue to increase due to sales price increased higher than decreased in sales volume compared to the previous year.

Volume and Value of tapioca starch exports in Thailand



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 Q2/2024, the Company recorded sales for the food business of THB 563

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million, which increased by 6 percent over the same period last year. Domestic sales contributed 87 percent of the food revenue, while export sales accounted for 13 percent.

The sales increase was mainly from Modern trade, wholesale, Van channels, Industrial, Indirect Export. The main factors due to coverage expansion and more product assortments. In addition, the new products launched that offered

hygiene and healthy food, especially Ready-to-eat products, which is part of the Company's strategy of providing innovative healthy food convenient to consumers, was also the main driver for the sales growth.

For 2024, the Company expected sales to grow continuously from the increasing demand for main products, the new products offered, and the new market expansion.

Gross Profit

In Q2/2024, the gross profit was THB 324 million, or a gross profit margin of 14 percent, which increased by 2 percent over the same period last year.

The main reason for the increase in the margin is because raw material cost increased sharply in Q2'23 and incremental rate of raw material costs in was higher than the incremental rate of selling prices in last year. Additionally, some forward sales resulted in a lower margin for the previous year.

For the 1H/2024, the gross profit was THB 783 million, or a gross profit margin of 16 percent, which at the same level as the last year.

The gross profit margin of the tapioca starch business was 12 percent, a decrease of 1% from the previous year. This was due to price competition in the Chinese market, which prevented the company from adjusting selling prices in line with the increase in raw material costs.

For the Food business, the gross profit was 30 percent increased 2 percent due to declining

trend in the cost of imported raw materials, combined with sales management that focused

on a product mix with higher gross profit margins.

Selling and Administrative Expenses

In Q2/2024, the selling and administrative expenses were THB 383 million, which increased by 8 percent over the same period last year. For 1H/2024, the selling and administrative expenses were THB 756 million, which increased by 3 percent from last year.

The increase was mainly due to the related expenses to business expansion, such as employee expenses, consulting fees, and traveling costs, net of the decrease in logistic costs, in line with the decreased of sales volume.

Net Profit Attributable to Shareholders

For the Q2/2024 result, the Company's net loss was THB 60 million, which decreased by THB 14 million compared to last year.

million, which decreased by 85 percent compared to last year mainly from the decrease in gross profit margin and sales volume as mentioned.

For 1H/2024, the Company's consolidated net profit attributable to shareholders was THB 6

Cash Flow analysis

For the 1H/2024, net cash used in operating activities was THB 126 million, decreased by THB 307 million compared to last year mainly from

lower raw material stocks. The Company remained in a strong cash flow position sufficient for future business expansion.

The Outlook for the year 2024

In 2024, the Company is still facing a root shortage situation. 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.

To relieve the impact of root shortage, the Company closely monitors it. It has implemented strategic actions to secure raw material supplies, such as using digital crop scans to monitor the roots, increasing the root yard network and stem propagation, and promoting smart farming with the Thai Wah Farmer network to improve the cassava yield. These measures will help mitigate the root supply risks in the short term and long term.

The new tapioca starch factory in Cambodia started the production line in Apr 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. Even with high raw material costs, the Company expects to maintain profitability by continuing production efficiency through innovation and the lean program to offset raw material costs, labor costs, 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.