



No. MDA-EN 02/2021

May 10th, 2021

The President

The Stock Exchange of Thailand

Re: Management Discussion and Analysis on 1Q21 performance

1. Financial performance of Sunsweet Public Company Limited for 1Q21

Performance Overview

The operating results in 1Q21 are described in the following details.

- The operating results have continued to increase over the same period last year. The sales growth was mainly driven by (1) higher sales in Ready-to-eat products such as pouch sweet corn on the cob, roasted Japanese sweet potato, roasted purple sweet potato, boiled tiger peanut and whole-grain ready-to-eat (2) International trade in the Asia-Pacific region such as China, Taiwan and South Korea has continued to recover and has expanded overseas markets, especially in the frozen products category. The sales orders have been added continuously. This is caused by increasing the customer base, both new customers or existing customers who turn to more order (3) In other regions such as the Middle East and European Union, there was a decline in orders due to a shortage of containers resulted in higher freight prices during the COVID-19 epidemic. However, this shortage of containers problem has been resolved and the delivery of goods is gradually increasing.
- The situation of THB is likely to depreciate. where THB/USD in 1Q21 averaging at 30.36, comparing with 4Q20, averaging at 30.22. However, THB/USD exchange rate is highly volatile. Therefore, the company had used financial instruments, such as forward foreign exchange contracts, in appropriate circumstances.
- The company has faced risks from the uncertain Thai economy due to the 3rd wave of COVID-19 spread in Thailand is more widespread and rapid spread in the second quarter of 2021. There will be many uncertainties in the future, especially (1) the effectiveness of the vaccine. (2) Virus mutation and (3) the opening of the country to be postponed to 2022. However, the development of vaccine distribution has a clearer direction, and measures to stimulate the Thai economy from the government have come out continuously. As well as the global economy and trade recover faster than expected and causing the merchandise exports to continue to recover.

บริษัท ชันสวีท จำกัด (มหาชน)

SUNSWEEET PUBLIC COMPANY LIMITED

เลขที่ 9 หมู่ที่ 1 ต.ทุ่งสะโตก อ.สันป่าตอง จ.เชียงใหม่ 50120

No.9 Moo 1 Toongsatok, Sanpatong, Chiang mai Thailand 50120

Tel : +66 53 106 538 - 40 Fax : +66 53 106 541

www.sunsweetthai.com sunsweetthai@sunsweetthai.com



IFS
Certificate 10015412 IFS

- The company still has faced foreign risks from (1) the trade tensions between the USA and China, (2) The outbreak from the Covid-19 epidemic and (3) the risk of a virulent mutant so severe that current vaccines are ineffective. New vaccines need to be developed or the risk of another global pandemic disrupting the Global supply chain.

2. Key Highlights of 1Q21

Unit: Million THB	1Q21	1Q20	Increase (decrease) %
Revenue from sales of processed sweet corn and other agricultural products	620.2	587.5	5.6
Revenue from trading business	5.0	7.7	(35.6)
Revenue from other sales	28.6	18.6	53.6
Total revenue from sales	653.8	613.8	6.5
Other income	2.3	1.9	29.4
Gain on exchange rate	14.4	8.0	79.7
Total revenue	670.5	623.7	7.5
Cost of goods sold	(554.6)	(531.3)	4.4
Gross profit	99.2	82.5	20.1
Selling expenses	(44.0)	(40.5)	8.5
Administrative expenses	(15.9)	(14.9)	7.2
The unrealised loss on derivatives	(20.0)	(28.1)	(28.7)
Profit before financial costs and income tax	36.0	8.9	303.1
Finance costs	(0.3)	(0.7)	(54.9)
Profit before income tax	35.7	8.2	333.9
Income tax	(5.1)	2.2	(333.6)
Net profit for the period	30.6	10.4	192.8
Gross profit margin (%)	15.2	13.4	
Net profit margin (%)	4.6	1.7	

บริษัท ชันสวีท จำกัด (มหาชน)

SUNSWEEP PUBLIC COMPANY LIMITED

เลขที่ 9 หมู่ที่ 1 ต.ทุ่งสะโตก อ.สันป่าตอง จ.เชียงใหม่ 50120

No.9 Moo 1 Toongsatok, Sanpatong, Chiang mai Thailand 50120

Tel : +66 53 106 538 - 40 Fax : +66 53 106 541

www.sunsweetthai.com sunsweetthai@sunsweetthai.com



IFS
Certificate 10015402 R5

Summary of Financial Performance

Revenues

1. Revenues from Sales

SUN's consolidated total revenues from sales for 1Q21 reached THB 653.8 million, representing an increase of THB 40.0 million or 6.5% over the same period last year. This increase was mainly driven by:

- i) Increased domestic sales from Ready-to-eat products such as Ready-to-eat bagged sweet corn, Roasted Japanese sweet potato, Roasted purple sweet potato, Boiled tiger peanut, Ready-to-eat whole gain, etc. available in convenience stores, restaurants and supermarkets.
- ii) International trade expansion in the Asia-Pacific region such as China, Taiwan and South Korea continues to recover and has expanded overseas markets, especially in the Frozen products category, due to increasing customer base both new customers and existing customers who have ordered more.
- iii) For other regions such as the Middle East and European Union, there was a decline in orders due to a shortage of containers resulted in higher freight prices during the COVID-19 epidemic.

2. Other Income

The consolidated other income for 1Q21 was THB 2.3 million. Representing an increase of THB 0.5 million or 29.4 % over the same period last year.

3. Gain on Exchange rate

The consolidated gain on the exchange rate for 1Q21 was THB 14.4 million, representing an increase of THB 6.4 million or 79.7% over the same period last year, which was an exchange gain amounting to THB 8.0 million. The THB/USD exchange rate volatility, therefore, the company uses financial instruments such as forward exchange contracts, in appropriate circumstances.

บริษัท ชันสวีท จำกัด (มหาชน)

SUNSWEEP PUBLIC COMPANY LIMITED

เลขที่ 9 หมู่ที่ 1 ต.ทุ่งสะโตก อ.สันป่าตอง จ.เชียงใหม่ 50120

No.9 Moo 1 Toongsatok, Sanpatong, Chiang mai Thailand 50120

Tel : +66 53 106 538 - 40 Fax : +66 53 106 541

www.sunsweetthai.com sunsweetthai@sunsweetthai.com



Cost of Goods Sold and Gross Profit from Sales

SUN's consolidated gross profit for 1Q21 reached THB 99.2 million. (15.2% of gross profit margin), Representing an increase of THB 16.7 million or 20.1% over the same period last year, which was THB 82.5 million. (13.4% of gross profit margin), This increase was mainly driven by:

- The cost of production per unit in 1Q21 decreased when compared to the same period last year due to higher production capacity, better production efficiency and being able to bring sweet corn into the production line regularly.
- Revenue from other sales, when compared to the same period last year, was higher in line with the revenue from sales of processed sweet corn and other agricultural products.
- Increased sales proportion of ready-to-eat products with high gross margins.

Selling Expenses

The consolidated selling expenses for 1Q21 was THB 44.0 million with an increase of THB 3.5 million or 8.5% over the same period last year. This increase was mainly due to higher transportation cost and export expense in line with the revenue from sales. In addition, the freight rate in 1Q21 was higher due to the shortage of containers at the beginning of the year.

General and Administration Expenses

The consolidated general and administration expenses for 1Q21 was THB 15.9 million with an increase of THB 1.0 million or 7.2% over the same period last year. This increase was due to (1) the adjustment of annual salary rates and (2) the warehouse rental fees for Can products outside the factory due to the higher inventories of the good output in the first quarter of the year.

The unrealised loss on Derivatives

The consolidated Unrealised loss on derivatives for 1Q21 was THB 20.0 million, mainly due to the fair value measurement of foreign exchange sell contracts for USD 20.4 million at the end of the period.

Financial Costs

The consolidated financial costs for 1Q21 were THB 0.3 million, a decrease of THB 0.4 million or 54.9% over the same period last year, was mainly due to returning short-term loan from financial institutions for working capital.

บริษัท ชันสวีท จำกัด (มหาชน)

SUNSWEEP PUBLIC COMPANY LIMITED

เลขที่ 9 หมู่ที่ 1 ต.ทุ่งสะโดก อ.สันป่าตอง จ.เชียงใหม่ 50120

No.9 Moo 1 Toongsatok, Sanpatong, Chiang mai Thailand 50120

Tel : +66 53 106 538 - 40 Fax : +66 53 106 541

www.sunsweetthai.com sunsweetthai@sunsweetthai.com



IFS
Certificate 10015492 05

Net Profit and Net Profit Margin

SUN's consolidated net profit for 1Q21 reached THB 30.6 million, an increase of THB 20.2 million or 192.8% over the same period last year, was mainly driven by (1) the company and its subsidiaries continued its solid growth. The growth rate in the 1Q21 is at 6.5% (2) Increase in the percentage of sales of ready-to-eat products with high gross margins. (3) Unit production costs were lower due to higher production capacity and being able to bring sweet corn into the production line regularly. (4) Ability to good manages the selling and administrative expenses. (5) Using the financial instruments such as forward foreign exchange contracts appropriate to the situation.

The consolidated net profit margin for 1Q21 represented 4.6%, increasing from the same period last year, which was 1.7% of net profit margin as the same above-mentioned factors.

Yours sincerely,



(Mr. Vira Nopwattanakorn)

Chief Finance Officer

Sunsweet Public Company Limited

บริษัท ชันสวีท จำกัด (มหาชน)

SUNSWEEP PUBLIC COMPANY LIMITED

เลขที่ 9 หมู่ที่ 1 ต.พ่งสะโคก อ.สันป่าตอง จ.เชียงใหม่ 50120

No.9 Moo 1 Toongsatok, Sanpatong, Chiang mai Thailand 50120

Tel : +66 53 106 538 - 40 Fax : +66 53 106 541

www.sunsweetthai.com sunsweetthai@sunsweetthai.com

