

Chairman's Message

2020 was another year when the company faced global economic and financial fluctuations arising from the trade war between the United States of America and China, the US's protectionist policy and the Covid-19 pandemic commencing from the end of 2019 that halted international trade as the severity of Covid-19 pandemic adversely affected many countries. The company's overall export had declined coupled with the strength of the THB which was stronger than other ASEAN countries resulting in other countries' products becoming relatively cheaper and adversely affected the company's competitiveness.

Thailand's pineapple business in 2020 slow down continuously attributable to lower pineapple output starting since the middle of 2017 until 2020 due to the drought whilst farmers had switched to planting other types of produce. Pineapple output has been declining and became insufficient to feed the factories' demand giving rise to higher prices in 2020 that rose phenomenally to 15.50 baht per kilogram. Nevertheless, selling prices could not be adjusted in line with the higher input prices as overseas customers switched to buying from Thailand's competitors who enjoyed much lower raw material cost e.g. Philippines and Indonesia had higher pineapple output and also benefited from GSP privilege granted by the EU resulting in lower import duty relative to Thailand of 3.5%. Moreover, Philippines received GSP+ status and its import duty was 18.5% lower than Thailand. Meanwhile, Thai exporters faced higher production costs and the resulting high selling prices has made it difficult to compete. Nonetheless, owing to the product quality, reputation, efficient management, close cooperation between the company's board of directors and the management in assessing business risk, importance given to service quality and continuing good customer relationship have helped the company to overcome the obstacles during the year.

In 2021, the issues of trade war between the US and China, exchange rate and shortage of pineapple, persisted since 2020 and will continue in 2021, shall remain obstacles to raising selling prices which can only be done gradually and the company's exports will continue to be affected. As a result, the company must carefully plan to source pineapple, formulate effective selling plan, control production cost and maintain appropriate inventory level to meet market demands judiciously. Additionally, the company is exploring expansion to Eastern European markets, study the feasibility to increase product lines and promote the use of innovation in creating value addition to the existing product lines.

2020 performance as of 30 September 2020 revealed revenues of 2,082 million baht with losses of 314.05 million baht. After incorporating the profits of associated company of 67.48 million baht, the losses were reduced to 246.57 million baht. As comparison, the 2019 performance of similar period ending 30 September saw revenues of 1,972.01 million baht and losses of 537.07 million baht. Upon accounting for the profits of associated company, total losses lowered to 467.06 million baht.



The associated company is Eastern Seaboard Industrial Estate (Rayong) Co., Ltd. The share of profits in the financial statements of baht 67.48 million, decreased from the previous year by baht 2.53 million or equal to 3.6% due to decrease revenue from the sale of real estate.

The company continues to support project activities that are useful for the society, i.e. natural and environmental conservation, improvement of life quality, health, education, sport, religion for the employees and community.

On behalf of the Board of Directors, I would like to thank all shareholders, customers, both local and international, farmers and growers of the company, financial institutions, and all our employees and related parties who have supported our operation so well. The Board of Directors, Executives and all employees shall pay high attention to develop, to progress and to make our company prosperous.

Thien Mekanontchai

(Mr. Thien Mekanontchai)

Chairman of the Board

