

Date : February 23, 2017  
 Subject : Management Discussion and Analysis for the year ended December 31, 2016  
 To : Managing Director  
 The Stock Exchange of Thailand

Kuang Pei San Food Products Public Company Limited would like to clarify for year 2016 based on the company financial statement. The main items were as followed:

<b>Unit : Million Baht</b>	<b>2016</b>	<b>2015</b>	<b>%Increased (Decreased)</b>
Total Revenues	1,387.47	1,297.16	6.96
Total Expenses	1,305.77	1,213.83	7.57
Finance Costs	26.51	28.71	(7.70)
Profit before Income Tax Expenses	70.81	73.85	(4.12)
Income Tax (Expense)	(13.09)	(17.72)	(26.13)
Net Profit	57.72	56.13	2.83
Equity	105.50	(262.94)	140.12

The Profit for the 2016 was 57.72 million baht, while in the year 2015 net profit was 56.13 million baht increased 1.59 % and equity for the year 2016 was 105.50 million baht related to the year 2015 was (262.94) million baht to be increased 140.12 % the reason are

**Operating results**

- The Company realized 1,387.47 million baht for revenue from canned seafood products and food services and others in the year 2016 which compared to revenue of the year 2015 was 1,297.16 million baht, increased by 90.31 million baht or (6.96 %). While the cost of sales and services was 1,014.42 million baht in the year 2016, compared to cost of sales and services was 939.74 million baht in the year 2015, increased by 74.68 million baht or (7.95%) because the cost of sales and services were increased by the same direction of the revenue, insist of main raw materials (Fish) have been high price in the rainy season. The sales expenses amount 150.31 million baht in the year 2016 compared to the year 2015 amount 145.34 million baht or increase by 4.97 million baht (3.42%) and the administrative expenses amount 141.05 million baht in the year 2016 compare to the year 2015 amount 128.75 million baht or increase 12.54 million baht (9.74%) because selling and administrative expenditures in this year were stable while the revenue was higher than last year, the reasons are the company have the corporate good governance and used the reasonable expenditure budget. The net profit in the year 2016 was 57.72 million baht because the company can operate to decrease expenditure and have lower cost of finance.

**Balance Sheet**

- Total assets at December 31, 2016 was 811.33 million baht compared to December 31, 2015 which was 782.40 million baht.
- Total liabilities at December 31, 2016 was 705.83 million baht which was decreased 339.52 million baht or (32.48%) compared to December 31, 2015 which was 1,045.35 million baht because of the present debt restructuring with the debtor.
- Total Shareholders' Equity at December 31, 2016 was 105.50 million baht which was increased by 368.44 million baht compare to December 31, 2015 which was (262.94) million baht.

According to the year 2016 the company has less liabilities amount 339.52 million baht and has positive equity amount 105.50 million baht because of the debt restructuring by conversion the debt amount 310.73 million baht to be the new capital stock and net profit from operating of this year amount 57.72 million baht.

Please be inform accordingly.

Your sincerely,

(Mr.Taweesak Naraipratan)  
Chief Operating Officer