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At PP. 034/2022

12<sup>th</sup> May 2022

Subject: Management Discussion and Analysis of the Financial Statements for the First Quarter of 2022 as of 31<sup>st</sup> March 2022 (REVISED)

ATTN: Directors and Managing Directors  
**The Stock Exchange of Thailand**

Kuang Pei San Food Product Public Company Limited (“Company”) has clarified its operating results in accordance with the financial statements for the first quarter ending 31<sup>st</sup> March 2022 as summarized the key information below.

| Transaction<br>(Million Baht)        | Quarter 1<br>31/3/65 | Quarter 2<br>31/3/64 | % Increase<br>(Decrease) |
|--------------------------------------|----------------------|----------------------|--------------------------|
| 1. Revenue from Sales and Services   | 344.06               | 368.49               | (6.63%)                  |
| 2. Cost of Sales and Services        | 283.30               | 273.79               | 3.47%                    |
| 3. Sales Expenses                    | 30.04                | 30.71                | (2.18%)                  |
| 4. Administrative Expenses           | 33.98                | 36.26                | (6.29%)                  |
| 5. Interest Cost                     | 4.39                 | 5.92                 | (25.84%)                 |
| 6. Profit (Loss) before Income Tax   | (7.65)               | 21.82                | (135.06%)                |
| 7. Taxable Income (Expense)          | 0.56                 | 4.75                 | (88.21%)                 |
| 8. Net Profit (Loss)                 | (8.21)               | 17.07                | (148.10%)                |
| 9. Total Comprehensive Income (Loss) | (8.21)               | 17.07                | (148.10%)                |
| 10. Shareholders' Equity             | 263.16               | 276.54               | (4.84%)                  |

- The Net Loss of Q1/2022 was 8.21 million Baht compared to Q1/2021, the Net Profit was 17.07 million Baht with a decrement of 25.28 million Baht or 148.10% decrease.
- The Total Comprehensive Loss of Q1/2022 was 8.21 million Baht compared to Q1/2021, the Total Comprehensive Income was 17.07 million Baht with a decrement of 25.28 million Baht or 148.10% decrease.
- The Shareholders' Equity in Q1/2022 was 263.16 million Baht compared to the Q1/2021 of 276.54 million Baht with a decrement of 13.38 million Baht or 4.84% decrease.



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## **Operating Performance**

**Revenue from Sales of Food Products and Services** in Q1/2022 was 340.93 million Baht and other revenues was 3.13 million Baht, totaling 344.06 million Baht compared to Q1/2021 of 364.59 million Baht and other revenues of 3.9 million Baht, totaling 368.49 million Baht with a decrement of 24.43 million Baht or 6.63% decrease.

- Management Analysis: The revenue from export sales have been dropped in half compared to the first quarter in 2021 because of the overseas shipment difficulty during Russia and Ukraine war. In addition, the domestic sales had less growth than expected due to the limited capacity and labor in the Production Line resulting in the product out of stock. The aftermath of COVID-19 pandemic still causes the Company with the struggling of skilled labor shortages. As a result, there were insufficient products available to meet the sales orders.

**Cost of Sales and Services** in Q1/2022 was 283.30 million Baht compared to Q1/2021 of 273.79 million Baht with the increment of 9.51 million Baht or 3.47% increase.

- Management Analysis: The increase in oil price globally has significant impacts to the cost and the raw materials that almost 100% imported from overseas as well as the higher utilities cost in the production line.

**Sales Expenses** in Q1/2022 was 30.04 million Baht compared to Q1/2021 of 30.71 million Baht with a decrement of 0.67 million Baht or 2.18% decrease.

- Management Analysis: The Company has adjusted the sales strategy and advertisements to utilize e-commerce channel more to reflect the current trend of consumer behaviors. It is an effective channel to have direct sales with consumers at lower cost compared to other sales channels.

**Administrative Expenses** in Q1/2022 was 33.98 million Baht compared to Q1/2021 of 36.26 million Baht with a decrement of 2.28 million Baht or 6.29% decrease.

- Management Analysis: The Company has changed the management team and is going through the organization restructuring over the period. Therefore, the expenses have been dropped and may gone up in the future depending on the resources structure planning as appropriate.



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**Company's Financial Position**

**Total Assets** as of 31<sup>st</sup> March 2022 were 848.41 million Baht compared to 31<sup>st</sup> December 2021 of 824.19 million Baht with an increase of 24.22 million Baht or 2.94% increase.

**Total Liabilities** as of 31<sup>st</sup> March 2022 were 585.26 million Baht compared to 31<sup>st</sup> December 2021 of 552.83 million Baht with an increase of 32.43 million Bath or 5.87% increase.

- Management Analysis: The Company Liabilities have gone up due to the revision in the reporting of the Accounting Standards regarding the rental agreement.

**Shareholders' Equity** as of 31<sup>st</sup> March 2022 was 263.16 million Baht compared to Shareholders' Equity as of 31<sup>st</sup> December 2021 of 276.54 million Baht with a decrement of 8.20 million Baht from the Total Comprehensive Loss or 4.84% decrease.

- Management Analysis: There was an adjustment of the late fee of the interest payment and the unrecognized contractual interest in the prior period. However, the impact of such adjustment has insignificant impact the Company's Cash Flow during the period.

Regards,

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(Ms. Siriporn Tohtubtiang)

Chairwoman of the Executive Committee and Managing Director