

Reference no. Admin. 007 / 2023

February 22, 2023

President

The Stock Exchange of Thailand

Subject: Clarifications on financial results for the year ended December 31, 2022 and significant events that causes the Company's profit to change by more than 20%

Surapon Foods Public Company Limited (or "the Company") would like to inform the performance of the Company and its subsidiaries as presented in consolidated financial statements for the year ended December 31, 2022 which has been audited by the Independent Auditor. The net profit of the Company and its subsidiaries was Baht 166.7 million (the profit attributable to owners of the parent was Baht 83.5 million), whereas the net profit of the Company and its subsidiaries for the year ended December 31, 2021 was Baht 443.1 million (the profit attributable to owners of the parent was Baht 205.2 million). The significant events that cause such change can be summarized as follows:

1. Revenue from sale of goods and rendering of services for the year ended December 31, 2022 is equal to Baht 5,848.5 million, increased by Baht 259.9 million or 4.7%. Such difference in the year 2022 compared to the year 2021 is mainly from the change of revenue in the following companies:
 - 1.1 Revenue from sales of frozen and processed foods of Surapon Foods PLC. ("SSF") is increased by Baht 56.1 million or 10.7%
 - Revenue from sales of goods in Thailand market is increased by Baht 38.3 million or 16.0%. This is due to the spread out of COVID-19 has been apparently released, consequently SSF receives more purchasing orders from the customers especially orders from restaurants and hotels.
 - Revenue from export sales of goods is increased by Baht 17.8 million or 6.3%, mainly due to increase of purchasing orders from main export markets; Australia, United Kingdom, and United Arab Emirates.
 - 1.2 Revenue from sales of frozen and processed shrimp products of Surat Seafoods Co., Ltd. ("SS") is increased by Baht 158.9 million or 22.4%. This is mainly due to the expansion of production capacity which previously invested, SS consequently received more purchasing orders especially Japanese customers.

- 1.3 Revenue from rendering of logistics services of Mobile Logistic Co., Ltd. (“MBL”) is increased by Baht 32.8 million or 22.5%. This is mainly due to expansion of more services’ coverage offering; warehousing services of frozen products, chilled products, and room-temperated products, more delivery and distribution routes, sorting and repacking services, and other services in response to the customers’ needs. Those leads to the increase of revenue from existing and new customers.
2. High fluctuation of exchange rate situation impacts the revenue from sales of goods. The Company and its subsidiaries’ main customers are Japanese customers. Appreciation of Thai Baht against Japanese Yen in the year 2022, affecting their purchasing power as well as the Company and its subsidiaries’ revenue when convert the revenue from Japanese Yen to Thai Baht.
3. Revenue from sale of goods and rendering of services is increased as prescribed above, however the gross profit margin is decreased from 14.8% in the year 2021 to 10.5% in the year 2022 as a result of increase of raw materials costs and other production costs, which is in line with upward trend of raw materials cost globally.
4. Distribution costs is increased by Baht 85.5 million or 35.4%. This was mainly due to the increase of sea freight expense; especially Japan route according to global situation.

Sincerely yours,

Surapon Foods Public Company Limited

Mr. Patt Somchaikulsup

Company Secretary and Authorized Information Discloser