

February 27th, 2023

Topic: The Financial Statement Analysis of the Year 2022

Dear President of The Stock Exchange of Thailand,

Kuang Pei San Food Products Public Company Limited (the "Company") would like to submit the Company's Financial Statement Analysis for the Year 2022 and the clarification of the company's performance as follows:

Statement (Million Baht)		2022	2021	Increase /Decrease	%
1	Total Revenue	1,468.45	1,605.40	(136.95)	-8.53%
2	Cost of selling goods and services	1,154.75	1,200.83	(46.07)	-3.84%
3	Selling expenses	151.53	132.09	19.44	14.72%
4	Administrative expenses	130.14	196.55	(66.42)	-33.79%
5	Financing costs	22.83	24.70	(1.87)	-7.55%
6	Profit (loss) before income tax expenses	15.31	32.94	(17.63)	-53.52%
7	Income tax (Expenses) income	2.03	14.71	(12.68)	-86.19%
8	Net Profit (Loss)	13.28	18.23	(4.95)	-27.14%
9	Total Comprehensive Income	1.12	9.57	(8.45)	-88.32%

The Company's Performance of the Year 2022 Compared to 2021

In the year 2022, the Company has total revenue of 1,468.45 million baht. Compared to those in 2021, the total revenue of the year 2022 decreases by 136.95 million baht or 8.53% due to the coronavirus (COVID-19) pandemic, resulting in the increased demand for canned food. However, the Company was unable to produce products at full capacity in response to the market demand because the coronavirus (COVID-19) pandemic began to ease up in the third quarter of 2022 as well as there was a shortage of labors since most of whom are foreign workers who headed to their native country during the pandemic and did not return to work.

In terms of costs and expenses, the cost of goods and services in 2022 accounts for 1,154.75 million baht. Compared to 2021, it decreases by 46.07 million baht which is in line with the lower revenue and fluctuations in exchange rates since the Company mainly imported raw materials from foreign countries. The Company imported large quantities of raw materials during the first quarter of 2022.

In terms of selling expenses, in the year 2022, the amount is 151.53 million baht. Compared to those in the year 2021, it increases by 19.44 million baht due to the increased marketing activities in the latter part of the year 2022 after the government eased relaxed measures compared to the previous period.

Regarding administrative expenses, in the year 2022, the amount is 130.14 million baht. Compared to those in 2021, it decreases by 66.42 million baht or 33.79% due to the voluntary resignation of executives in the year 2021, resulting in the high expenses in 2021, and the lower administrative expenses in 2022.

In terms of financial costs, the amount in 2022 is 22.83 million baht. Compared to 2021, it decreases to 1.87 million baht or 7.55% because, in 2021, the Company paid the interest at the default rate. In addition to this, in the year 2022, the Company was in the process of negotiating debt restructuring with banks. As a result, the interest rate is in the process of being adjusted.

The financial position of a Company as of December 31st, 2022 Compared to 31 December 2021

The financial position of the Company as of December 31st, 2022 has total assets of 897.23 million baht. Compared to those as of December 31, 2021, it increases by Baht 62.91 million, or 7.54%. Particularly, right-of-use assets are the highlights of the increase because of the account changes due to the expiration of cold storage contracts with related companies in May 2022. However, the lease was not renewed because the Company intended to purchase such assets. The Company, therefore, did not include Right-of-use assets. Moreover, during the year 2022, the Company reported the reversal of impairment loss from such assets.

In terms of debt, as of December 31st, 2022, the Company has total liabilities accounted for 641.20 million baht. Compared to those as of December 31st, 2021, amounting to Baht 579.40 million, the Company's total debt increases by 61.80 million baht. Particularly, an important one is an increase in lease liabilities because, during the year 2022, the company dealt with several lease agreements on assets for operations. Such lease assets were construed in accordance with financial reporting standards to be recorded as assets and liabilities in the financial statements as well as an increase of an estimated employee benefits obligation since the Company revised its relevant estimates to reflect changes in the Company's data during the year.

In terms of shareholders' equity, as of December 31st, 2022, the Company has shareholders' equity of Baht 256.03 million. Compared to those as of December 31st, 2021, valued at Baht 254.91 million, the Company's shareholders' equity increases by 1.12 million baht, 0.44% in line with comprehensive profit for the year 2022.

Financial Statement Adjustments

The Company revised its financial statements including a recognition of default interest and contractual interest that was not recognized as well as including the additional provision for employee benefits for daily employees. As a result, total deficit increases by 35.27 million baht.

Regards,

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(Ms.Siriporn Tohtubtiang)

Chairwoman of the Executive Committee & Managing Director