

No.018/2023

May 12th, 2023

Re: Financial Statements Analysis Quarter 1/2023 (revised)

Dear President, The Stock Exchange of Thailand (SET)

Kuang Pei San Food Products Public Company Limited (the "Company") is writing to submit the Company's financial statements for the first quarter of 2023 and the Company's performance. The key financial statements are written as follows:

Financial statements (Million Baht)		3M2566	3M2565	Increase/Decrease	%
1	Total revenue	272.49	344.06	(71.57)	(20.80%)
2	Cost of goods and services	220.93	283.30	(62.37)	(22.02%)
3	Selling expenses	36.19	30.04	6.15	20.47%
4	Service expenses	36.40	33.98	2.42	7.12%
5	Finance costs	6.72	4.39	2.33	53.08%
6	Profit (loss) before income tax	(27.75)	(7.65)	(20.10)	(262.75%)
7	Income (Expense) income tax	0.07	(0.56)	0.63	112.50%
8	Net Profit (Loss)	(27.68)	(8.21)	(19.47)	(237.15%)
9	Total comprehensive profit	(27.68)	(8.21)	(19.47)	(237.15%)

Company's Performance for the First Quarter of 2023 Compared to the First Quarter of 2022

For the first quarter of 2023, the Company had total revenue of 270.12 million Baht. Compared to the total revenue in the first quarter of 2022, the total revenue decreased by 71.57 million baht or 20.80% resulting from the Company's inability to produce products to meet high market demand, i.e., canned clams because the Company struggled to meet the demand. This is due to shortages of raw materials resulting from the climate change.

In terms of the cost of goods and services for the first quarter of 2023, it accounted for 220.93 million Baht. Compared to those in the first quarter of 2022, it decreased by 62.37 million baht in line with the decline in income as well as the impact of higher utilities and cold storage rents. Note that the Company is installing solar cells to reduce energy costs in the future which is expected to be completed in Q2/2023.

The selling expenses for the first quarter of 2023 accounted for 36.19 million Baht. Compared to those in the first quarter of 2022, it increased by 6.15 million baht due to an increased number of marketing activities in the latter part of 2022 after the government eased various measures during the Covid-19 period.

In terms of service expenses, for the first quarter of 2023, it accounted for 36.40 million baht. Compared to those in the first quarter of 2022, it increased by 2.42 million baht, or 7.12% due to the increased employee-related expenses in the first quarter of 2022. The fact that the Company reorganized its human resources organization at the end of 2021 resulted in lower expenses in the first quarter of 2022.

Regarding the finance costs for the first quarter of 2023, it accounted for 6.72 million baht. Compared to those in the first quarter of 2022, it was an increase of 2.33 million baht or 53.08%. In the first quarter of 2022, the Company still lost interest at the normal rate while in the first quarter of 2023, the Company is negotiating debt repayment with the lending banks, resulting in the default rate.

Financial Status of the Company as of 31st March 2022 Compared to as of 31 December 2022

In terms of the financial status as of March 31, 2022, the Company had total assets of 869.98 million baht. Compared to those as of 31st December 2022, which is 897.23 million Baht, the Company's total assets decreased by 27.25. million Baht or 3.04%. In particular, cash and cash equivalents decreased by 24.81 million Baht. Operating expenses, trade receivables, and other receivables decreased by 24.83 million Baht. Debt management and the lease agreement with the related Company expired in May 2022, without renewal because the Company intended to purchase the assets. Therefore, the Company disposed of the right-of-use assets out of the account.

Moreover, during the first quarter of 2023, the Company reversed the list of losses from the impairment of real estate to additional asset investment.

In terms of liabilities, as of March 31st, 2023, the Company had total liabilities of 641.63 million Baht. Compared to those as of December 31st, 2022, of Baht accounted for 641.20 million, the Company's total liabilities increased by 0.43 million Baht. The key transaction was the increase in lease liabilities. During the year, the Company agreed to lease agreements for several assets for operational use. These lease assets were considered as recorded as assets and liabilities in the financial statements according to the financial reporting standards, and the decrease in account payables and other payables in similar proportions. As a result, the total liabilities as of March 31, 2023, have not changed from the total liabilities compared to those as of December 31, 2022.

In terms of shareholders' equity, as of 31st March 2023, the Company had shareholders' equity of 228.36 million Baht. Compared to those as of 31st December 20225 accounting for 256.03 million baht, the Company's shareholders' equity decreased by 27.68 million Baht which is in line with the comprehensive profit (loss) for the first quarter of 2023.

Regards,

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(Ms. Siriporn Tohtubtiang)

Chairwoman of the Executive Committee & Managing Director