



**SURAPON**

Reference no. Admin. 004 / 2024

February 20, 2024

President

The Stock Exchange of Thailand

Subject: Clarifications on financial results for the year ended December 31, 2023 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, 2023 which has been audited by the Independent Auditor. The net profit of the Company and its subsidiaries was Baht 303.5 million (the profit attributable to owners of the parent was Baht 130.4 million), whereas the net profit of the Company and its subsidiaries for the year ended December 31, 2022 was Baht 166.7 million (the profit attributable to owners of the parent was Baht 83.5 million), which is increased by 82.0%. The significant events that cause such change can be summarized as follows:

1. Revenue from sales of goods of the Company and its subsidiaries for the year ended December 31, 2023 as presented in the consolidated financial statements was Baht 5,074.7 million, which is decreased by Baht 643.5 million or decreased by 11.3%, compared to the same period of the year 2022. This decrease is mainly affected from global economic situation and economic situation in the Company and its subsidiaries' main exporting countries as well as high cost of living and foods prices. The Company and its subsidiaries have been striving to manage production costs and offer the products, which are more suitable to the markets and consumers' purchasing power, together with highly focusing on selling transactions, generating appropriate profit margins.
2. Revenue from rendering of services for the year ended December 31, 2023 as presented in the consolidated financial statements was Baht 174.2 million, increased by Baht 43.9 million or 33.7% compared to the same period of the year 2022. This increase is mostly attributed to expansion of logistics services facilities and additional logistics services offering in one of the subsidiaries, namely Mobile Logistics Co., Ltd, resulting in an increase in revenue from services.
3. The gross profit margin on revenue from sales of goods of the Company and its subsidiaries for the year ended December 31, 2023, according to the consolidated financial statements, increases from 10.7% in the year 2022 to 13.6% in the year 2023. This increase is mostly attributed to a reduction in the prices of main raw materials, together with improvements of efficiency in procurement and sourcing of raw materials, as well as enhancements in production efficiency.
4. Distribution costs for the year ended December 31, 2023, according to the consolidated financial statements was at Baht 213.8 million, a decrease of Baht 113.4 million or decreased by 34.7% compared to the same period of the year 2022. This reduction aligns with the decrease in the number of export sales and product deliveries transactions, as mentioned in no. 1. In addition, sea freight rates to the Company and its subsidiaries' exporting countries in the year 2023 decreased from the year 2022, which is consistent with global sea freight cost situation.

Sincerely yours,

Surapon Foods Public Company Limited

Mr. Patt Somchaikulsup

Company Secretary and Authorized Information Discloser

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