

Date : August 14, 2020
 Subject : Management Discussion and Analysis for the Quarter 2/2020
 To : Managing Director
 The Stock Exchange of Thailand

Kuang Pei San Food Products Public Company Limited would like to clarify for Quarter 2/2020 based on the company financial statement. The main items were as followed:

Unit : Million Baht	2020	2019	%Increased (Decreased)
Revenue from sales and services	434.76	340.81	28
Total Expenses	(406.40)	(336.74)	20.69
Finance Costs	(4.24)	(4.62)	(8.23)
Profit before Income Tax Expenses	24.43	1.48	1,551
Income Tax Expensed	(6.77)	(0.59)	1,047
Net Profit	17.66	0.89	1,885
Equity	255.20	224.82	13.51

The Profit for Quarter 2/2020 was 17.66 million baht, while in Quarter 2/2019 net Profit was 0.89 million baht. increased 16.77% and equity for Quarter 2/2020 was 255.20 million baht related to equity on December 31, 2019 was 224.82 million baht to be increased 13.51% the reason are

Operating results

- The Company realized 435.06 million baht for revenue from canned seafood products and food services and others in the Quarter 2/2020 which compared to revenue of Quarter 2/2019 was 342.84 million baht increase by 92.22 million baht or (26.90%) While the cost of and sales and services was 332.43 million baht in Quarter 2/2020 compare to cost of sales and services was 249.46 million baht in Quarter 2/2019 increased by 82.97 million baht or (33.26%) because the cost of sales and services were increased by revenue ratio. The sales expenses amount 33.77 million baht in Quarter 2/2020 compared to Quarter 2/2019 amount 33.96 million baht or decrease by 0.19 million baht (0.56%) and the administrative expenses amount 40.20 million baht in Quarter 2/2020 compare to Quarter 2/2019 amount 53.32 million baht or decrease 13.12 million baht (24.61%) total of Selling and administrative expenditures is decreased 13.31 million baht. The reason is the same quarter in last year the company has been changed accounting report in the notes no.14 employee benefit obligations on April 5, 2019, the Labour Protection Act has been enacted in the Royal Gazette. The Labour Protection Act includes a requirement that an employee who is terminated after having been employed by the same employer for an uninterrupted period of 20 years or more, receives severance payment of 400 days of wages at the most recent rate, which is increased from the current maximum rate of 300 days. This change is considered a post-employment benefits plan amendment. But in this year the selling and administrative expenditures are normal and have decreasing ratio related for revenue.

Balance Sheet

- Total assets at June 30, 2020 was 961.68 million baht compared to December 31, 2019 which was 848.42 million baht.
- Total liabilities at June 30, 2020 was 706.48 million baht compared to December 31, 2019 which was 623.60 million baht because of the settlement of debt all year.
- Total Shareholders' Equity at June 30, 2020 was 255.20 million baht which was increased by 30.38 million baht compare to December 31, 2019 which was 224.82 million baht.

Please be inform accordingly.

Your sincerely,

(Mr.Taweesak Naraipratan)
Chief Operating Officer