



PPPM/2566-045

25 May 2023

Subject : Report on the guidelines and progress on the correction of the financial. In the case of being boarded with a C because the shareholders' equity is less than 50% (Revised)

To : The President  
The Stock Exchange of Thailand

PP Prime Public Company Limited (The Company) has arranged the meeting to investors and related people (Public Presentation) on 25 May 2023 at 10.30 hrs. at the company's meeting room, No. 486 People Park, Building E1, 3/F, Onnut Road, Kwaeng Onnut, Khet Suanluang, Bangkok due to the "C" sign caution as the Company has the shareholder equity less than 50% of the paid-up registered capital for Quarter1 of 2023, 31 March 2023. We would like to inform of the implementation plan as follows:

As the company has a registered and paid-up capital of 11,165.16 million baht and a share less than the value of ordinary shares of 9,293.44 million baht, the company has a registered and paid-up capital after adjusting with a discount of 1,871.72 million baht. For the financial statements as of 31 March 2023, the Company has shareholders' equity equal to 602.12 million baht or equivalent to 32% of the paid-up capital. Which is lower than the threshold set by the Stock Exchange of Thailand, must be higher than 50%, resulting in the SET showing the "C" sign, which has the main reasons as follows.

In Quarter1 of 2023, the operating result was a total loss of 93.98 million baht.

1. Aquatic feed sales were 206.55 million baht with a gross profit of approximately 4.27 million baht (representing 2.07% of the selling price). Pet food had sales of 147.73 million baht with a gross profit of approximately 0.31 million baht (representing 0.21% of sales) and the investment business had a cost of 1.4 million baht but had no income. While selling and administrative expenses amounted to 55.17 million baht.
2. Exchange rate fluctuations as a result, the Company has unrealized loss from foreign exchange in the amount of 30.38 million baht.



บริษัท พีพี ไพร์ม จำกัด (มหาชน)

PP PRIME PUBLIC COMPANY LIMITED



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The Company would like to inform of the implementation plan to resolve such problem as follows:

**1. Issuance of Convertible Debenture Lot 2 in the amount of 150 million baht.**

The company has issued and offered convertible debentures in a private place (PP10) in the amount of not more than 150 million baht with a maturity of 3 years, with the objective of using it as working capital in the company. to enhance liquidity in business operations Support capacity expansion in core businesses.

On 23 September 2022, the Extraordinary General Meeting of Shareholders No. 2/2022 resolved to approve the issuance of such convertible debentures.

As of 25 May 2023, the Company received money from the issuance of convertible debentures in the amount of 90 million baht and the conversion to ordinary shares in the amount of 74 million baht, representing 712,782,535 shares.

**2. Management to reduce production costs**

2.1 Manage raw materials efficiently, including sourcing raw materials as an alternative to bring raw materials to be used in production while maintaining the value of nutrition (Nutrient) according to each production formula.

2.2 Reduce unnecessary overtime. Set a clear work schedule for easy cost control. And focusing on the production planning of each order to produce continuously.

2.3 Take care to inspect the machines in use and maintain the machines (Preventive Maintenance) according to the inspection schedule. In order not to interrupt the production due to damage or breakdown of machinery.

2.4 Reduce general expenses to be less by prioritizing and necessity of expenses and have the supervisor check before approving

2.5 Reduce fuel costs There is currently a new investment in steam generators that use natural fuel such as palm kernel shells and wood chips, which have lower costs compared to coal and fuel oil.

2.6 Use technology in production such as the **Brill formulation** Program that will help with the calculation of the production formula to be more efficient.

2.7 Hiring Outsource to save expenses in terms of welfare fees such as transportation companies. Security company, housekeeping department and tree trimming department within the factory, etc.

**3. Increase more sales**

3.1 Maintain market share (Market Share) of aquaculture feed especially shrimp feed to 7-8% in 2023 and focus on selling to customers with good payment history and to follow up on customer payments closely.



3.2 Expand new customer base to pet food business and land animal feed in the form of OEM production both domestically and internationally in order to increase sales and increase gross profits.

In addition, the company is able to extend the debt from short term to long term in order to increase liquidity in order to increase the sales volume. The progress to settle the debt of Q1, 2023 is as following:

Details of Debt	Amount and Due Date	Progress of Debt Settlement
<b>Short term loan from financial institution</b> 1) Export-Import Bank of Thailand (EXIM Bank)  2) Kasikorn Bank Public Company Limited (KBank)	230.79 million baht Due date 16 February 2026  10 million baht Due date on 12 April 2023 and renewed every month until 30 June 2023.	The installment period has been extended for another 3 years, due on 16 February 2026.  The company repays the loan every month, totaling 10 million baht per quarter due on 30 June 2023. Currently, the loan balance is 4 million baht.
<b>Debenture</b> 1) TLUXE205A	78 million baht Due date on 8 May 2023	The Company had arranged the debenture holder meeting on 29 March 2023. The meeting resolved to approve the extension of the due date by dividing into 2 installments as following:  The first installment in the amount of 39 million baht is due on 8 November 2023.  The second installment, pay the remaining amount of 39 million baht, due on 8 May 2024.  and approved a change in the bond interest rate by increasing the bond interest rate to 7.16 percent per year.



Please be informed accordingly.

Yours sincerely,

(Mrs. Supattra Nakmontanakum)

Chief Executive Officer

PP Prime Public Company Limited

Corporate Secretary Office

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