



PPPM/2566-056

28 August 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%

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 28 August 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 Quarter2 of 2023, 30 June 2023. We would like to inform of the implementation plan as follows:

As the company has a registered and paid-up capital of 11,306.87 million baht and a share less than the value of ordinary shares of 9,427.29 million baht, the company has a registered and paid-up capital after adjusting with a discount of 1,879.58 million baht. For the financial statements as of 30 June 2023, the Company has shareholders' equity equal to 600.56 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 Quarter 2 of 2023, affecting factors include.

1. Capital increase in the amount of 7.86 million baht and cash received in advance for share subscription (capital increase from PPPM-W5 warrants in the amount of 36.7 million baht), including the capital increase in the amount of 44.56 million baht.
2. Operating results for the 3-month period showed a total loss of 46.45 million baht.

2.1 Total sales revenue of 374.91 million baht, consisting of

	Quarter 1/2023	Quarter 2/2023	% increase (decrease)	G.P
Aquatic feed	206.55	277.72	34.46%	6.0%
Pet food	147.73	97.18	-34.22%	4.1%
Total sales	354.28	374.9	5.82%	5.5%



บริษัท พีพี ไพร์ม จำกัด (มหาชน)

PP PRIME PUBLIC COMPANY LIMITED

สำนักงานใหญ่ : 62-62/1 ม.2 ต.หนองขุมพล อ.เขาย้อย จ.เพชรบุรี 76140  
Head Office : 62-62/1 M.2, Nongchumpol, Khao Yoi, Phetchaburi 76140

โทรศัพท์ / TEL : (032) 899881-4  
โทรสาร / FAX : (032) 899885

E-mail : info@ppprime.co.th  
Website : www.ppprime.co.th





- 2.2 Foreign investment business. There is a depreciation of the power plant of 1.3 million baht (the part that has not been sold), while there is no operating income. Since 13 out of 15 geothermal power plants were sold in mid-year 2022
- 2.3 Selling and administrative expenses amounted to 62.5 million baht (about 7.4 million baht higher than the previous quarter), resulting from expenses from restructuring the company to make work more efficient.
- 2.4 Set aside an allowance for trade accounts receivable according to financial reporting standards. (does not affect cash flow) in the amount of 6.4 million.

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 28 August 2023, the company received money from the issuance of convertible debentures in the amount of 110 million baht and the conversion into ordinary shares in the amount of 74 million baht, representing 712,782,535 shares.

	Drawdown (baht)	Conversion Amount (baht)
Quarter 1/2023	70,000,000	70,000,000
Quarter 2/2023	40,000,000	16,000,000
Total	110,000,000	86,000,000
Remain	40,000,000	24,000,000

**2. Account Receivable Management to reduce the allowance for trade accounts receivable according to accounting standards in the income statement.**

The company has a rigorous follow-up process for debtors and adjusts the product release policy in case the customer has overdue debts. The company will not release products to customers.

**3. Management to reduce production costs**

3.1 Management of raw material inventory in line with sales, including the sourcing of raw materials to obtain reasonable prices to control production costs.



3.2 Management of manpower (Manpower) in the production line and overtime control to be in line with the projected increase in sales of pet food.

3.3 Continuous production planning for each SKU of production for efficient electricity and fuel consumption

3.4 Management of transportation costs of raw materials and finished goods between Phetchaburi and Songkhla plants.

3.5 Hiring outsourced employees for production work that does not require expertise in order to save on various welfare expenses.

Currently, Thailand's shrimp exports tend to decline due to the increasing quantity of shrimp in the market from Ecuador and India with lower costs resulting in a price advantage, while domestic shrimp farmers have higher costs. Therefore, they are unable to compete on price. As a result, the number of shrimp farmers in the country decreased.

Therefore, the company has adjusted sales by

1. Increasing sales of pet food production to cover the fixed cost and increasing the sales forecast to 2,000 – 2,500 tons per month.
2. It focuses on selling shrimp and fish feed to existing customers with good payment histories.

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 Quarter 2, 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)	230.79 million baht Due date 16 February 2026	The installment period has been extended for another 3 years, due on 16 February 2026.
2) Kasikorn Bank Public Company Limited (KBank)	10 million baht Due date on 12 April 2023 and renewed every month until 30 June 2023.	On 30 June 2023, the company had already repaid all loans.
<b>Debenture</b>		
1) TLUXE205A	78 million baht Due date on 8 May 2023	The Company had arranged the debenture holder meeting on 29



Details of Debt	Amount and Due Date	Progress of Debt Settlement
		<p>March 2023. The meeting resolved to approve the extension of the due date by dividing into 2 installments as following:</p> <p>The first installment in the amount of 39 million baht is due on 8 November 2023.</p> <p>The second installment, pay the remaining amount of 39 million baht, due on 8 May 2024.</p> <p>and approved a change in the bond interest rate by increasing the bond interest rate to 7.16 percent per year.</p>

Please be informed accordingly.

Yours sincerely,

(Mrs. Supattra Nakmontanakum)

Chief Executive Officer

PP Prime Public Company Limited

Corporate Secretary Office

Tel: 093-810-0361